THE TOWN OF FLOWER MOUND TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Town of Flower Mound, Texas

Annual Comprehensive Financial Report

For the fiscal year ended September 30, 2022

Town Manager
James Childers

Chief Financial Officer
Tammy Wilson, CPA

Prepared By:

Tammy Wilson, CPA
Chief Financial Officer

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Director of Accounting Services

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Accounting Supervisor

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Grants and Financial Analyst

Carolyn Brewer
Senior Accounting Technician

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Accounting Technician

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Accounting Technician

Judy Watson
Payroll Technician

THE TOWN OF
FLOWER MOUND
TEXAS

TOWN OF FLOWER MOUND, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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THE TOWN OF
FLOWER MOUND
TEXAS

March 15, 2023

To the Honorable Mayor, Members of the Town Council, and Citizens of the
Town of Flower Mound, Texas:

It is with great pleasure we present to you a copy of the Annual Comprehensive Financial Report (ACFR) of the Town of Flower Mound for the fiscal year ended September 30, 2022. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the end results of the operation of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed "of the books and accounts of each and every department of the Town." The Town has complied with this requirement, and the opinion of the auditing firm of Eide Bailly LLP, Certified Public Accountants, is included as part of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

General Information – The Town of Flower Mound, Texas

The Town of Flower Mound, incorporated in 1961, is located primarily in southern Denton County, approximately 28 miles northwest of downtown Dallas, 25 miles northeast of Fort Worth, 12 miles south of Denton and three miles north of Dallas-Fort Worth International Airport (DFW Airport). A small area located at the southern boundary falls in Tarrant County, as well. The Town's corporate boundary encompasses approximately 46 square miles and serves a population of 79,390. Flower Mound is a master-planned community with an emphasis on SMARTGrowth development, intended to preserve community character.

The majority of Flower Mound is served by the Lewisville Independent School District (LISD), with the Argyle, Denton, Grapevine-Colleyville, and Northwest Independent School Districts also providing educational services for smaller areas of the Town. LISD encompasses more than 127 square miles and serves more than 50,000 students in 13 North Texas communities. There are 21 LISD schools located in Flower Mound: 2 high schools, 2 9th grade campuses, 5 middle

schools, and 12 elementary schools. Most of these campuses are rated ‘Exemplary’ or ‘Recognized’ by the State of Texas.

The Town of Flower Mound Home Rule Charter was adopted November 3, 1981 by a vote of the citizens. The Town operates under a council-manager form of government and provides a full range of services, as authorized by its Charter, including: Police Services, Fire and Emergency Services, Development Services, Parks and Recreation Services, Library Services, Environmental Services, Administrative Services, Legislative Services, Financial Services, and Public Works.

The Town Charter requires that the Town Manager submit a proposed budget to the Town Council by August 1 each year, for the fiscal year beginning October 1. Prior to August 1, the Town Manager and Town department heads prepare expenditure estimates for the remainder of the current year and the upcoming fiscal year. These totals are compared to estimates of revenue for the same referenced period. Adjustments are made to expenditure estimates, as necessary, to ensure that the proposed budget balances total expected revenues. A new budget must be adopted by September 30 or the amounts appropriated for the current fiscal year will be adopted for the ensuing year on a month-to-month basis, until a final budget is formally adopted. Following the adoption of a budget, the Town Manager and Town department heads monitor expenditures and revenues throughout the fiscal year in an effort to ensure that the integrity of the budget will be maintained. Monthly revenue and expenditure reports are produced by the Town's automated budgetary accounting system and reflect monthly and year-to-date totals for each source of revenue and expenditure.

Local Economy

More than 1,350 businesses call Flower Mound home and provide a balanced mix of retailers, restaurants, office, and manufacturing/distribution facilities. Flower Mound’s unemployment rate as of September 2022 was 2.6 percent, compared to a 4.0 percent rate for Texas and 3.5 percent nationally for the same month. Economic conditions in Flower Mound have been greatly influenced by its proximity to two major airports: Dallas/Fort Worth International Airport located three miles south of the Town, and Alliance Airport located five miles to the southwest. DFW International Airport serves an average of 200,000 customers per day and is known as the economic engine of the North Central Texas region. The airport produces over $37 billion in economic impact across north Texas each year, with 228,000 full-time jobs.

Transportation

Flower Mound has two major arterials; FM 1171 (Cross Timbers Road) and FM 2499 (Long Prairie Road). FM 1171 runs east to west through Flower Mound, connecting to Interstate-35E and Interstate-35W. I-35 is a NAFTA-recognized highway, routing transportation and freight between Mexico and Canada through the U.S. The major north-south thoroughfare in the Town is FM 2499. Both roadways provide quick access to several major highways, providing excellent transportation access to the Dallas/Fort Worth Metroplex.

The Texas Department of Transportation (TxDOT) started work in 2018 on the next phase of the DFW Connector Project which includes direct connections between FM 2499 and I 635, SH 114 and SH 121; and a new I 635 interchange. The new I 635/SH 121 interchange is a part of the Texas Clear Lanes Initiative provide by Governor Abbott and the Texas Legislature to reduce gridlock in some of the state’s most congested area. The project reached substantial completion in August 2021, six months ahead of schedule.

Medical-Related Development

Flower Mound has benefitted from a healthy and steady medical and healthcare sector which offers many widely needed services to the Town and to Denton County. Texas Health Presbyterian Hospital Flower Mound opened in 2010 in the central, mixed-use development. The River Walk at Central Park. In December of 2015, the hospital completed construction of a 19,000-sq. ft. expansion which included 4 new operating rooms and 28 prep and recovery beds. A 3,275 sq. ft. Women's Imaging Center expansion opened in November 2014, which provides some of the most technologically-advanced 3-D breast cancer screening options available in North Texas and is a major driver of women's healthcare technology within the State. In April of 2017, Healthgrades awarded the honor of Top Hospitals for Patient Experience to the facility. In 2019, additional surgical observation training rooms were constructed and an additional 150-space parking lot was also completed. Most recently, a 14,250 sq. ft. interior expansion to the observation unit occurred to increase Emergency Dept. waiting room size; additional renovations are being done to the kitchen and dining rooms, which will allow the award-winning employer to continue to provide outstanding care to the community.

In 2020, **ClearSky Rehabilitation Hospital of Flower Mound** opened an inpatient rehabilitation hospital in the 56,345 square-foot building located at 3100 Peters Colony Rd. Their opening created approximately 100 new, local healthcare-related jobs. The hospital provides post-acute rehabilitative care to individuals with disabling illnesses or injuries. Furthermore, the hospital is made up of 29 private inpatient beds, a specially equipped gym, and a heated, aquatic swimming pool. Specialized patient programs includes stroke, neurological, and orthopedic rehabilitation, in addition to long-term recovery following critical care and chronic illness management, such as Parkinson's disease and multiple sclerosis. In 2021, they earned The Joint Commission's Gold Seal of Approval for Accreditation, reflecting the hospital's commitment to safe, quality patient care. To earn the accreditation, the hospital underwent a rigorous, unannounced review by The Joint Commission, in addition to on-site observations and interviews.

Commercial Development

Great care was taken to develop the southeastern portion of Flower Mound into a thriving commercial business district, taking advantage of the 3-mile proximity to DFW International Airport and major infrastructure. The Town of Flower Mound invested $25 million in public improvements into the Lakeside Business District, including water and sewer extensions and new road construction. The District ended 2022 with an occupancy rate of approximately 91%, a rate consistent with quarters' past.

The Lakeside Business District has 10 business centers within its boundaries: Cornerstone, Corporate Ridge, Flower Mound Business Park, Lakeside Commerce Center, Lakeside DFW, Lakeside International, Lakeside Ranch Business Park, Lakeside Trade Center, Parkview Commerce Center, and Southgate at Flower Mound. Several notable developers, including Crow Holdings, Duke Realty, EastGroup Properties, Exeter Property Group, Hillwood, Huntington Industrial, and others have already invested in Flower Mound.

More than 100 businesses currently operate in the district, and the past year has seen some major developments and new additions worth note, including:

The Eastgroup had significant activity on its **Lakeport Project, Phase I.** Lakeport will ultimately contain five flex-space

office/warehouse buildings, totaling almost 370,000 square feet on 30-acres within the Lakeside Business District and at the visible southern entrance into Flower Mound at 2499 and the Gerault flyover.

They are currently finishing the final two buildings and will have them open for leasing 1st quarter 2023.

Telecom industry firm **Communications Test Design Inc. (CTDI)** has completed their expansion into the newly leased 185,000 square-feet of space at 1001 Lakeside Parkway, the company's fourth location in the Lakeside Business District. The company provides engineering, repair and logistics for the communications industry.

CTDI has been a longtime corporate resident of Flower Mound, with many of their employees living in and around the Town. CTDI keeps choosing Flower Mound for the benefits of a well-maintained business park and central location. This allows the company to draw employees from a large area and easy access to DFW International Airport, as the company often brings in their various clients. The largest private employer in Flower Mound, CTDI has grown from 600 employees to over 1,200 through the years. The telecom industry firm grew by nearly 100 employees with the new location.

The **Lakeside International Office Center** development contains two office buildings on the site, a four story-120,000 sq. ft. building and two story-18,500 sq. ft. building. Both buildings are served by surface and structured parking. **IntelliCentrics,** an existing Flower Mound healthcare company that has the largest trusted healthcare technology platform, occupies the top floor of the larger building. The site contains a trail system that connects patrons to the nearby Shops at Lakeside. Additional corporate leases within the Lakeside International Office Center in 2022 include: CrowdFunding Real Estate, Medigent Health Services Healthcare, and The Qt Technology Company, CD Consultants Construction. They are currently working on (2) more leases which will bring the building to a 100% occupancy in early 2023.

The **Lakeside Crossing** development came on-line in 2021, with tenants such as Outlaw FitCamp by Jesse James, Honeybird Sandwiches and Donuts, The UPS Store, Texas Health Family Care, and Smoothie King. In 2022 the Town granted approval of a fine-dining cocktail restaurant named Tycoon. Tycoon is expected to open spring of 2023.

In addition to the south end of Town, Flower Mound has designated approximately 1,500 acres in the west end of Town for mixed-use residential and commercial development. The Denton Creek District is located along I-35W, U.S. 377 and FM 1171. The Denton Creek District emphasizes high quality, regional commercial and industrial development, as well as mixed office, retail, and residential uses. The main property in the district is the Furst Ranch which gained its Zoning approval from Council in 2022. This will allow an almost $6 billion dollar development to move forward on the 4 corners of 377 and 1171.

Progress also continues to be made on the Canyon Falls development to the far west side of Flower Mound. Canyon Falls is a 1,242-acre master-planned community within the Denton Creek District, located in Flower Mound, Northlake, and Argyle. Approximately 626 acres of the development are in Flower Mound. Tentative plans for the project include different village types based on the natural features prominent in that area. Commercial and retail space will be available toward the west and northwest part of the property near Interstate 35W. Plans are currently being drawn to extend Denton Creek Blvd to the northwest of Canyon Falls out to IH-35. This will be met by a new exit ramp off IH-35 and open another 230+ acres for commercial development giving Flower Mound its first Interstate accessible land.

Commercial Permit Activity

In 2022, 26 new commercial permits were issued, an increase from the 20 permits issued in 2021. Notable commercial permits throughout the year included North Star Recovery Services with 30 employees, Phoenix Innovations and Aeronet both with 35 employees and Home Franchise Concepts with 50 employees.

The River Walk at Central Park – Central Business District. The River Walk at Central Park is a 158-acre mixed-use development that integrates commercial, office, retail, restaurant, medical, and residential uses in a variety of building types. Easily accessible from any part of the DFW Metroplex, The River Walk at Central Park is anchored by Texas Health Presbyterian Hospital Flower Mound and located along the major north/south development corridor in Town.

The River Walk will offer walkable shopping, dining, art, entertainment, and more along a majestic flowing river. A restaurant row will feature unique and varied dining options, all with a shared patio right on the waterfront. In 2014, highly-requested restaurants La Madeleine and Luna Grill were added to the nearby River Walk Market. Residential offerings in the development have continued completion over the past year and have experienced significant demand; pre-leasing quickly and receiving stellar reviews to the point that the residential acreage is almost complete.

Amenities completed within The River Walk at Central Park include sidewalks and pedestrian bridges, lighted waterfalls, a 100-foot water wall, shade structures, public art, a stone and iron clock tower, pavilion, and more. The chapel and event center is open and operational as of January of 2021.

The Town's first hotel, a **Courtyard by Marriott**, has now been operational for over five years and has become a community staple. Located at the north end of the River Walk development, the five-story, 146 room, upscale hotel features more than 6,000-sq. ft. in meeting and conference space, an upscale restaurant and bar, outdoor fire pits, balconies overlooking the river and amphitheater, and many high-end finishes to ensure a luxurious experience for guests. A public parking structure sits alongside the hotel, offering guests and visitors immediate access to the River Walk's future amenities.

A second hotel, **Home2Suites** purchased land within the River Walk development. The almost 70,000 sq. ft. hotel will include 100 rooms, a small dining area, exercise room, pool, small meeting area, and a small retail space from which a separate retailer may operate. They are expected to open in early 2023.

Lakeside DFW. Success of the $1 billion, 150-acre, mixed-use development continues, while construction of the development moves to Lakeside Village. This past year brought continued activity with the approval of Lakeside Village which will be a $1 billion addition to the development. On top of that the almost 30 retailers and restaurants now operating at **The Shops at Lakeside** (in Lakeside DFW) offer a wide variety of dining, entertainment, and shopping options, creating a modern and vibrant area.

The opening of **Lakeside Tower** and a full-service spa, SpaVela, in 2020 has since brought much activity to Lakeside DFW. The 16-story condominium tower includes 48 residences, four villas at ground level, and two bungalows that sit on the pool and amenity terrace. Each of the residence's ranges in size from 1,400 square feet to over 6,200 square feet. Private elevators provide residents with direct elevator access into their home. Building amenities include a wine room, yoga room, club room, private dining room, private cinema, a full-service spa, guest suites, gym, steam rooms, golf simulator, and a pool terrace. Residents of the Lakeside Tower also have access to 24-hour concierge, valet, and private parking garages enclosed within the main parking garage. 2022 saw the final residential sale in the Tower.

The completion of Lakeside DFW will pave the way for developer, Realty Capital, to embark upon another endeavor, Lakeside Village. The developer broke ground on the project in 2020, commencing construction of the extensive infrastructure needed to support the project. **Lakeside Village** is located immediately south of the existing Lakeside DFW. The approximately 40-acre mixed use development on the north shore of Grapevine Lake will bring new residences of every kind, office, hotel, retail, and restaurant uses, as well as an amphitheater, community greens and trails. This environment will be unique to the Metroplex, attracting patrons from well beyond our borders. For example, the proposed six restaurant sites will be located on elevated terrain on the southernmost tip of the property, offering breathtaking views of Grapevine Lake. Lakeside Village will offer a number of amenities to its residents and visitors, but with an estimated build out value of over $1 billion, the economic impact is far reaching. All of this was reliant on an economic development grant negotiated in 2022 between Realty Capital and the Town.

Retail Development

In 2022, the Town of Flower Mound welcomed nearly 116 new businesses to the community, creating approximately 1,250 new jobs. With moderate population growth, an average household income of $173,200, and several residential developments under construction or planned for the future, Flower Mound is an ideal location for business. Almost 400 retailers and restaurants already call Flower Mound home.

Tax Increment Reinvestment Zone (TIRZ #1)

TIRZ #1 encompasses approximately 1,465 acres located along FM 2499, one-half mile south of FM 1171 and north to FM 407. The estimated revenue of the zone over its 20-year life is conservatively $78,600,000, representing an anticipated $55,020,000 from the Town and $23,580,000 from Denton County. The TIRZ #1 2022 Annual Report identified an ending fund balance of $19,024,272.

Employee Compensation

The salary pay ranges in the Town's pay plans shall be reviewed annually with the objective to maintain all pay ranges at the 65th percentile of the market. In the FY 2022-2023 budget, the Town Council approved a two percent market increase for general government employees, a market increase for public safety employees in step pay plans that varies by position, and a three percent merit increase for all Town employees meeting performance standards.

Long-term Financial Planning

As part of the budgeting process, the Town develops a multi-year financial forecast. Over the past few years, the Town has seen steady residential and commercial growth which has allowed for balanced budgets that meet the needs of citizens, while maintaining a high level of reserves, as well. In November 2007, voters approved four, one-fourth-of-one-percent, dedicated sales tax votes for: park and recreation improvements, street maintenance, a Crime Control and Prevention District (CCPD), and a Fire Control, Prevention, and Emergency Medical Services District. The resulting increased sales tax rate went into effect on April 1, 2008. These dedicated sales tax funds have provided the Town with the needed resources to create two new police beats, build and staff two new fire stations, exceptionally maintain the Town's streets, and to improve and expand the Town's park system. The Town Charter requires a General Fund unreserved fund balance of at least 10%. In addition, the Financial Policies of the Town require a balance of at least 20%. Between Fiscal Year 2017-2018 and Fiscal Year 2020-2021, the balance has ranged from a low of 30.73%, to a high of 41.03%. The General Fund reserve level at the 2021-2022 Fiscal Year-End was projected to be 39.24%.

Tax Rates

All taxable property within the Town is subject to the assessment, levy and collection of a continuing, direct ad valorem tax sufficient to fund operation and maintenance costs in the Town's General Fund as approved by the Town Council and provide payment of principal and interest on outstanding general obligation bonds.

The allocation of property tax levy by purpose (maintenance and operation vs. debt service) for Fiscal Year 2021-2022 and the preceding three years is reflected in the following table (amounts per $100 of assessed value):

Purpose	2021-2022	2020-2021	2019-2020	2018-2019
Maintenance & Operation	$.3506	$.3478	$.3540	$.3465
Debt Service	.0544	.0887	.0825	.0925
Total Tax Rate	$.4050	$.4365	$.4365	$.4390

Tax Appraisal/Collection Responsibilities

Under Texas law enacted in 1979, and subsequent revisions to the Texas Property Tax Code, the appraised value of taxable property in Flower Mound is established by the Denton Central Appraisal District and the Tarrant Appraisal District. The Town of Flower Mound, and other taxing jurisdictions, provides a pro-rata share of the budgeted expenditures incurred by the Denton Central Appraisal District and the Tarrant Appraisal District each year. In Fiscal Year 2021-2022, the Town's payment for appraisal services was $304,714 to Denton Central Appraisal District, and $7,663 to Tarrant Appraisal District. The Town contracted with the Denton County Tax Office for the collection of ad valorem taxes for the year beginning October 1, 2021 and ending September 30, 2022. The Town paid $32,827 for these services.

Independent Audit

Article III, Section 3.13 of the Town Charter requires that an annual independent audit be performed of “the books and accounts of each and every department of the Town”. The Town has complied with this requirement, and the independent auditor’s report has been included in this report.

Budgetary Control

Budgetary control is established and maintained after adoption of the budget by the preparation of monthly revenue and expenditure statements, which provide monthly and year-to-date amounts and percentages of budgeted appropriations expended by fund, department and division.

Budget transfers can be processed between line items in a division and between divisions in a department in the same fund. A transfer cannot change the total budget for a department. Amendments can be made to transfer funds which can change the total budget. Section 9.14 of the Town Charter provides Town Council the authority to amend the budget and reads:

During the fiscal year, the Town Council shall have the power to transfer funds allocated by the budget from one department to another department, and to re-estimate revenues and expenditures. If the Town Council determines it is in the best interest of the Town to apply for and accept a private, county, state or federal grant of funds for a particular purpose, the Council's action in accepting the award of said grant and any corresponding expenditures shall constitute a budget appropriation in the amount of said grant funds.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Flower Mound, Texas for its annual comprehensive financial report for fiscal year ended September 30, 2021. The Town of Flower Mound, Texas has received a Certificate of Achievement for the last thirty-five consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

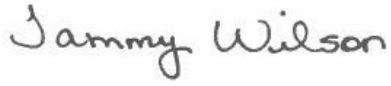
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement

Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

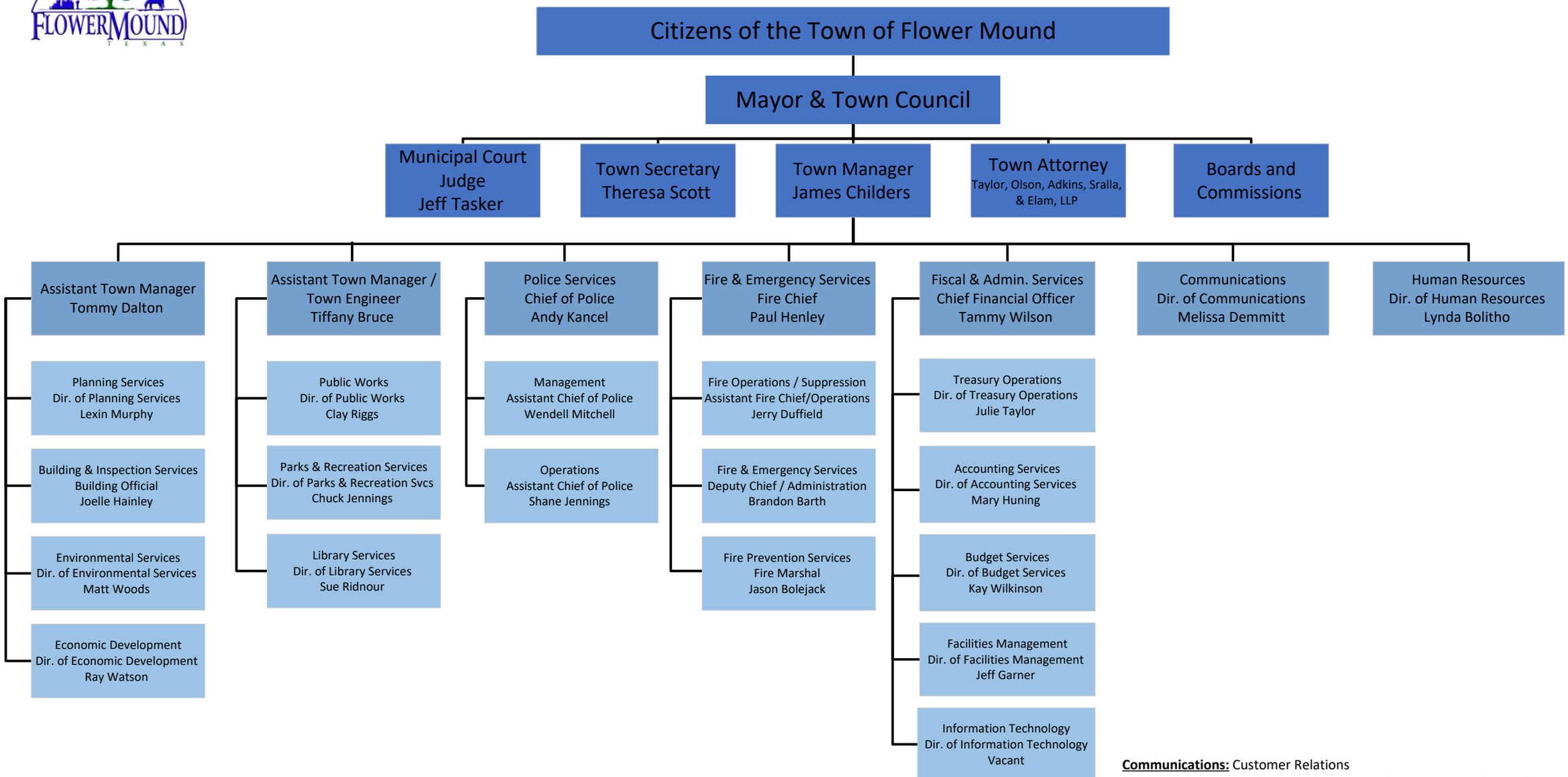
The preparation of the Annual Comprehensive Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Financial Services Department. The administrative and finance staff also wish to commend and thank the Mayor and Town Council for their leadership and support in our combined efforts to provide a comprehensive program of municipal operations and services while remaining within a framework of sound financial planning, responsible fiscal control and progressive financial reporting.

Respectfully submitted,



Tammy Wilson
Chief Financial Officer

Town of Flower Mound Organizational Chart


Citizens of the Town of Flower Mound
Mayor & Town Council
Municipal Court Judge Jeff Tasker
Town Secretary Theresa Scott
Town Manager James Childers
Town Attorney Taylor, Olson, Adkins, Sralla, & Elam, LLP
Boards and Commissions
Assistant Town Manager Tommy Dalton
Planning Services Dir. of Planning Services Lexin Murphy
Building & Inspection Services Building Official Joelle Hainley
Environmental Services Dir. of Environmental Services Matt Woods
Economic Development Dir. of Economic Development Ray Watson
Assistant Town Manager / Town Engineer Tiffany Bruce
Public Works Dir. of Public Works Clay Riggs
Parks & Recreation Services Dir. of Parks & Recreation Svcs Chuck Jennings
Library Services Dir. of Library Services Sue Ridnour
Police Services Chief of Police Andy Kancel
Management Assistant Chief of Police Wendell Mitchell
Operations Assistant Chief of Police Shane Jennings
Fire & Emergency Services Fire Chief Paul Henley
Fire Operations / Suppression Assistant Fire Chief/Operations Jerry Duffield
Fire & Emergency Services Deputy Chief / Administration Brandon Barth
Fire Prevention Services Fire Marshal Jason Bolejack
Fiscal & Admin. Services Chief Financial Officer Tammy Wilson
Treasury Operations Dir. of Treasury Operations Julie Taylor
Accounting Services Dir. of Accounting Services Mary Huning
Budget Services Dir. of Budget Services Kay Wilkinson
Facilities Management Dir. of Facilities Management Jeff Garner
Information Technology Dir. of Information Technology Vacant
Communications Dir. of Communications Melissa Demmitt
Human Resources Dir. of Human Resources Lynda Bolitho

Communications: Customer Relations
Parks and Recreation Services: Community Activity Center, Senior Center
Police Services: Animal Services, School Crossing, Criminal Investigations, Patrol, 911 Communications Center and Support Services
Public Works: Engineering Services, CIP Engineering

Town of Flower Mound
PRINCIPAL OFFICIALS
September 30, 2022

TOWN OFFICIAL	ELECTIVE POSITION	TERM EXPIRES
Derek France	Mayor	2024
Adam Schiestel	Council Member, Place 1	2025
Sandeep Sharma	Mayor Pro Tem Council Member, Place 2	2023
Brian Taylor	Council Member, Place 3	2025
Jim Engel	Council Member, Place 4	2024
Ann Martin	Deputy Mayor Pro Tem Council Member, Place 5	2023

ADMINISTRATIVE STAFF	ADDRESS	POSITION
James Childers	2121 Cross Timbers Road	Town Manager
Tommy Dalton	2121 Cross Timbers Road	Assistant Town Manager
Tiffany Bruce	2121 Cross Timbers Road	Assistant Town Manager/Town Engineer
Tammy Wilson	2121 Cross Timbers Road	Chief Financial Officer
Theresa Scott	2121 Cross Timbers Road	Town Secretary
Andy Kancel	2121 Cross Timbers Road	Chief of Police
Paul Henley	2121 Cross Timbers Road	Fire Chief

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Flower Mound
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

THE TOWN OF
FLOWER MOUND
TEXAS

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Mayor and
Members of Town Council
Town of Flower Mound, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas (the Town) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

As discussed in Note 13 to the financial statements, the Town has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended September 30, 2022. Accordingly, a restatement has been made to leases receivable and deferred inflows of resources of the governmental activities and the general fund as of October 1, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information of the general fund, and pension and OPEB schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an

opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Eide Bailly LLP

Abilene, Texas
March 15, 2023

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Management's Discussion and Analysis
September 30, 2022

The management of the Town of Flower Mound offers readers of the financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Flower Mound exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $616,651,452. Of this amount, $67,730,936 may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by $40,113,884. The majority of this increase is attributable to development in both governmental funds and business-type activities.
- As of September 30, 2022, the Town of Flower Mound's governmental funds reported combined ending fund balances of $113,264,454, an increase of $11,346,341 in comparison with the prior year. 30.03% of this total amount, $34,011,095, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the general fund was $34,011,095, or 47.06% of total general fund expenditures.
- The Town of Flower Mound's bonded debt decreased by $4,780,000 during the current fiscal year. The key factors in this decrease were a net of debt payments in the amount of $13,330,000 and the issuance of $8,550,000 in certificates of obligation.

Overview of the Financial Statements

The management discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. However, other non-financial factors should also be considered.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in governmental funds.

In the Statement of Net Position and the Statement of Activities, the Town is divided between two kinds of activities:

- **Governmental activities**. Most of the Town's basic services are reported here, including the police, fire, library services, community development, public services, information services, park services, municipal court, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.

- **Business-type activities**. The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water, sewer and drainage utilities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by state law or bond covenants. However, the Town Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the Town of Flower Mound can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. The majority of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a detailed reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Flower Mound maintains twenty-eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, all of which are considered to be major funds. Data from the other twenty–five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The Town charges customers for the services it provides, whether to outside customers or to other units within the Town. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise fund (a component of proprietary funds) is identical to the business-type activities that are reported in the government-wide statements, but provide more detail and additional information, such as cash flows. The internal service funds (the other component of proprietary funds) are utilized to report activities that provide supplies and services for the Town's other programs and activities, such as the Town's self-insurance fund and vehicle, equipment and technology replacement fund. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements.

The Town of Flower Mound maintains an enterprise fund to account for water, sewer and drainage services provided to the Town's retail and wholesale customers. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The Town's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town's only fiduciary fund is the public improvement district debt service custodial fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the general fund revenue and expenditures budget and actual information, as well as, the funding progress and contributions of TMRS and the Town's other post-retirement benefits (OPEB).

Government-wide Financial Analysis

The Town's combined net position is $616,651,452 as of September 30, 2022. Analyzing the net position and net expenses of governmental and business-type activities separately, business-type activities' net position is $199,580,988. This analysis focuses on the net position and changes in general revenues and significant expenses of the Town's governmental and business-type activities.

The largest portion of the Town's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the Town's net position:

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 143,487,182	$ 132,123,795	$ 82,415,477	$ 68,519,080	$ 225,902,659	$ 200,642,875
Capital assets	364,767,509	358,430,175	227,650,235	228,905,237	592,417,744	587,335,412
Total assets	508,254,691	490,553,970	310,065,712	297,424,317	818,320,403	787,978,287
Deferred outflows of resources	6,180,438	6,398,591	1,059,271	1,142,310	7,239,709	7,540,901
Long-term liabilities outstanding	75,751,948	92,082,018	105,418,444	103,916,980	181,170,392	195,998,998
Other liabilities	11,638,853	13,410,138	4,819,931	5,381,964	16,458,784	18,792,102
Total liabilities	87,390,801	105,492,156	110,238,375	109,298,944	197,629,176	214,791,100
Deferred Inflows of resources	9,973,868	3,616,427	1,305,620	574,093	11,279,488	4,190,520
Net investment in capital assets	308,572,131	295,048,373	152,840,348	150,778,480	461,412,479	445,826,853
Restricted	58,614,169	53,616,906	28,893,868	27,003,287	87,508,037	80,620,193
Unrestricted	49,884,164	39,178,699	17,846,772	10,911,823	67,730,936	50,090,522
Total net position	$ 417,070,464	$ 387,843,978	$ 199,580,988	$ 188,693,590	$ 616,651,452	$ 576,537,568

Governmental activities. The following table provides a summary of the Town's operations for the year ended September 30, 2022. Governmental activities increased the Town's net position by $29,226,486, accounting for 72.86% of the total increase in net position. The majority of governmental activities increase in net position is due to development activity in the Town and controlling expenses.

Business-type activities. Business-type activities increased the Town's net position by $10,887,398, accounting for 27.14% of the total increase in net position. Business-type activities net position increased due to a utility rate increase and development activity in the Town.

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 12,107,013	$ 10,731,281	$ 56,273,795	$ 48,509,922	$ 68,380,808	$ 59,241,203
Operating grants and contributions	3,601,013	2,313,000	-	-	3,601,013	2,313,000
Capital grants and contributions	8,643,597	12,039,573	7,728,163	7,029,200	16,371,760	19,068,773
General revenues:						
Property taxes	55,478,487	56,852,372	-	-	55,478,487	56,852,372
Sales taxes	34,929,500	28,861,624	-	-	34,929,500	28,861,624
Occupancy taxes	419,080	302,908	-	-	419,080	302,908
Other taxes	7,376,337	5,843,467	-	-	7,376,337	5,843,467
Unrestricted investment earnings	940,523	114,893	469,387	37,797	1,409,910	152,690
Miscellaneous	600,368	1,011,374	388,365	393,688	988,733	1,405,062
Total revenues	124,095,918	118,070,492	64,859,710	55,970,607	188,955,628	174,041,099
Expenses:						
Town manager's office	3,680,978	4,298,875	-	-	3,680,978	4,298,875
Legislative services	513,592	535,517	-	-	513,592	535,517
Development services	2,192,825	2,218,168	-	-	2,192,825	2,218,168
Parks and recreation services	18,144,574	15,329,914	-	-	18,144,574	15,329,914
Library services	2,049,541	1,997,725	-	-	2,049,541	1,997,725
Police services	21,880,685	19,575,430	-	-	21,880,685	19,575,430
Financial services	4,728,707	3,181,737	-	-	4,728,707	3,181,737
Administrative services	7,055,671	6,278,393	-	-	7,055,671	6,278,393
Fire and emergency services	23,173,628	23,087,386	-	-	23,173,628	23,087,386
Communications	753,285	749,660	-	-	753,285	749,660
Public works	10,213,207	15,315,949	-	-	10,213,207	15,315,949
Environmental services	1,543,131	1,491,166	-	-	1,543,131	1,491,166
Interest on long-term debt	1,741,793	2,015,265	-	-	1,741,793	2,015,265
Utilities	-	-	51,170,127	47,920,418	51,170,127	47,920,418
Total expenses	97,671,617	96,075,185	51,170,127	47,920,418	148,841,744	143,995,603
Increase (decrease) in net position before transfers	26,424,301	21,995,307	13,689,583	8,050,189	40,113,884	30,045,496
Transfers	2,802,185	2,602,600	(2,802,185)	(2,602,600)	-	-
Increase (decrease) in net position	29,226,486	24,597,907	10,887,398	5,447,589	40,113,884	30,045,496
Net position - 10/01	387,843,978	363,246,071	188,693,590	183,246,001	576,537,568	546,492,072
Net position - 09/30	$ 417,070,464	$ 387,843,978	$ 199,580,988	$ 188,693,590	$ 616,651,452	$ 576,537,568

Financial Analysis of the Government's Funds

Governmental funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $113,264,454, an increase of $11,346,341 in comparison with the prior year. Approximately $34,011,095 or 30.03% of the total amount constitutes unassigned fund balance, which is available for spending at the Town's discretion. Committed fund balance totals $15,840,913 or 13.98%, meaning that the Town by formal action has determined what this amount will be spent on.

Fund balance of $62,440,369 or 55.13% is restricted to indicate that it is not available for new spending. The Town also has prepaid items of $70,425 or 0.06% and inventory of $901,652 or 0.80% which are classified as non-spendable fund balance.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund totaled $34,011,095, while total fund balance was $34,983,172. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 47.06% of total general fund expenditures, while total fund balance represents 48.40% of that same amount.

The fund balance of the Town's general fund increased by $7,126,169 during the current fiscal year.

Key factors are as follows:

- Property tax revenue increase from the previous year of $2,386,027.
- Sales tax revenue increase from the previous year of $3,036,846.
- Franchise fees revenue increase from the previous year of $1,454,542.
- Expenditures increased due to several one-time transfers for capital projects.

Property tax revenue is higher due to increased assessed values and development activity. Sales tax revenue and franchise fees are higher than the previous year due to continued recovery from the impact of the pandemic for restaurants and retail establishments.

The debt service fund has a total fund balance of $1,416,963, a decrease of $913,457. This decrease is due to tax rate calculations and how the debt portion of the TIRZ is handled in the calculation.

The fund balance of the Town's capital projects fund decreased by $1,148,573 during the current fiscal year due to capital project activity.

Other governmental funds have a total fund balance of $53,735,088, an increase of $6,282,202. The Park Development Fund decreased due to development activity. The TIRZ Fund and the Street Maintenance Fund increased due to less capital project activity and increase tax collections. The Crime District Fund and Fire District Fund increased due to increased tax collections.

Proprietary funds. The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net position in the Enterprise Fund totaled $199,299,950 at the end of the fiscal year 2022, an increase of $10,874,490 or 5.77%. Included in net position is $152,840,348 net investment in capital assets and $28,893,868 restricted for capital projects. The remaining net position balance of $17,565,734 consists of unrestricted net position. In the current fiscal year, total operating revenues are $56,662,160 while operating expenses are $47,669,614. Revenue increased over the prior year due to increased rates. Expenses increased due to the purchase of wholesale water and capital project activity.

General Fund Budgetary Highlights

During fiscal year 2021-2022, the Town Council of the Town of Flower Mound amended the budget for the General Fund five times. The original expenditure budget was amended to increase the budget by $1,203,268.

The Financial Services budget was increased by $187,660 for the Home Improvement Incentive Program. The Facilities budget was increased by $105,000 for underground fuel storage tanks removal at Fire Station 2, generator installation at Fire Station 6 and Community Activity Center wall replacement. Town Manager's Office budget increased by $393,870 to account for Council Committed funds. Town Manager's Office budget also increased by $32,860 due to an increase in liability insurance. The Parks and Recreation budget was increased by $138,500 due to increases in the mowing contract, and $1,650 for team benches at athletic fields. Municipal Courts budget increased by $92,895 to replace the audio/video system in the court room. The remaining $250,833 was an increase to re-appropriate the balances of outstanding purchase orders for items or services ordered but not received by September 30, 2021.

The revenue budget was increased with amendments by $195,827 due to closing out the Parks and Recreation Special Activities Fund due to Governmental Accounting Standards Board (GASB) requirements. The revenue budget was also increased by $1,650 for a donation from the Town's youth football provider to purchase benches at athletic fields.

Staff reviewed each supplemental appropriation throughout the year and determined that reserves were sufficient to recommend their increase.

The original budget reflected the Town would increase fund balance by $1,017,605. The fund balance for the general fund increased in the amount of $7,126,169 during the fiscal year.

For fiscal year 2021-2022, actual expenditures on a budgetary basis were $73,021,756 compared to the original budget of $73,278,994. This was a positive $257,238 variance. Actual revenue on a budgetary basis was $78,243,183 compared to the original budget of $73,136,298. This was a positive variance of $5,106,885. This is primarily due to an increase in taxes.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounted to $592,417,744 (net of accumulated depreciation). This investment in capital assets includes land, building, park facilities, roads, bridges and water and sewer lines.

Major capital asset events during the current fiscal year included the following:

Description	Amount
Waketon Road	$ 1,654,936
Joint Fire Training Facility	766,494
Canyon Falls 20	620,083
Lift Station Improvements and Decommissioning Ph II	568,555
Timber Creek Trunk Line	505,531
Wastewater Treatment Plant Rehab Phase 5	416,911
Infiltration/Inflow Eval & Repair	412,890
Sentinel Oaks Water Line Replacement	401,537
Colonial Drive Reconstruction Ph II (Whitney to Homestead	323,650
Sidewalk Links	322,447
Bakers Branch Stabilization @ 1600 & 1612 Strait Lane	308,979
Bruton Orand @ FM 1171 RTL	303,553
Stonecrest Pump Station Ph I	296,164
Wastewater Treatment Plant Master Plan	208,574
Garden Ridge through Lane @ FM 3040	207,803
Oak Street Ph IV Lift Station & Force Main	196,838
FM 2499 @ FM 3040 Intersection	167,250
Library Expansion	152,367
Traffic Detection Rehabilitation	149,760
Morriss Road Water Line Phase II	136,013
Morriss Road Water Lines Phase IV	106,500
	$ 8,226,835

Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	$ 35,782,959	$ 35,782,959	$ 4,419,755	$ 4,419,755	$ 40,202,714	$ 40,202,714
Construction in progress	43,242,394	48,672,529	24,099,750	26,735,581	67,342,144	75,408,110
Buildings	85,100,630	69,428,440	29,779,901	30,959,250	114,880,531	100,387,690
Distribution system	-	-	168,162,036	165,396,930	168,162,036	165,396,930
Equipment	12,577,872	12,116,167	1,188,793	1,393,721	13,766,665	13,509,888
Improvements	28,875,446	30,105,334	-	-	28,875,446	30,105,334
Streets and bridges	159,188,208	162,324,746	-	-	159,188,208	162,324,746
Totals	$ 364,767,509	$ 358,430,175	$ 227,650,235	$ 228,905,237	$ 592,417,744	$ 587,335,412

Additional information on the Town's capital assets can be found in Note 5 of this report.

Long-term debt. At the end of the current fiscal year, the Town had total bonds outstanding of $149,350,000 in tax supported debt.

Outstanding Debt, at Year-end

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation bonds	$ 13,405,000	$ 17,430,000	$ 9,280,000	$ 10,925,000	$ 22,685,000	$ 28,355,000
Certificates of obligation	41,500,000	45,385,000	85,165,000	80,390,000	126,665,000	125,775,000
Totals	$ 54,905,000	$ 62,815,000	$ 94,445,000	$ 91,315,000	$ 149,350,000	$ 154,130,000

The Town of Flower Mound's bonded debt decreased by $4,780,000 during the current fiscal year. The key factors in this decrease were a net of debt payments in the amount of $13,330,000 and the issuance of $8,550,000 in certificates of obligation.

- On June 22, 2022, the Town issued $8,550,000 in Certificates of Obligation Series, 2022, which will pay for the contractual obligations incurred for constructing waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

Standard and Poor's affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA". Fitch Ratings affirmed the Town's General Obligation Bonds and the Certificates of Obligation's rating of "AAA".

The Town is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to assessed value of all taxable property is .45%.

Additional information on the Town's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

Fiscal year 2022-2023 budget maintained the property tax rate at $.4050 per $100 valuation. Homestead exemption was increased from 5% to 10%.

The Town increased the base operating budget for fiscal year 2022-2023 primarily by including non-discretionary and decision packages during the budget process. Non-discretionary packages included a variety of one-time replacement and maintenance costs. Decision packages include implementing the first phase of an adaptive signal project, 9.50 additional FTE positions, as well as, various improvements and renovations in facilities and infrastructure.

The Town Charter requires that 10.00% of the general fund budget be placed in reserves. The new budget includes an estimated 35.90% unassigned general fund balance.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Flower Mound, Financial Services, 2121 Cross Timbers Road, Flower Mound, TX, 75028.

Town of Flower Mound, Texas
Statement of Net Position
September 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 63,013,129	$ 8,774,122	$ 71,787,251
Investments	67,587,272	7,960,953	75,548,225
Receivables (net of allowances for estimated uncollectibles):			
Ad valorem taxes	607,331	-	607,331
Other taxes	6,539,657	-	6,539,657
Unbilled services	-	2,677,764	2,677,764
Accounts	1,388,182	4,010,213	5,398,395
Accrued interest	305,495	-	305,495
Intergovernmental	245,020	-	245,020
Leases	755,666	-	755,666
Internal balances	(281,038)	281,038	-
Franchise fees	2,354,391	-	2,354,391
Prepaids	70,425	545	70,970
Inventory	901,652	499,169	1,400,821
Restricted:			
Cash and cash equivalents	-	44,313,697	44,313,697
Investments	-	13,897,976	13,897,976
Capital assets			
Land	35,782,959	4,419,755	40,202,714
Buildings	112,906,741	53,765,322	166,672,063
Distribution system	-	268,104,981	268,104,981
Equipment	29,281,406	3,872,703	33,154,109
Construction in progress	43,242,394	24,099,750	67,342,144
Improvements	48,317,130	-	48,317,130
Streets and bridges	453,431,132	-	453,431,132
Accumulated depreciation	(358,194,253)	(126,612,276)	(484,806,529)
Total Assets	508,254,691	310,065,712	818,320,403
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on refundings	450,477	217,592	668,069
Deferred outflows related to pensions	4,814,357	679,728	5,494,085
Deferred outflows related to OPEB	915,604	161,951	1,077,555
Total deferred outflow of resources	6,180,438	1,059,271	7,239,709
LIABILITIES			
Accounts payable	4,933,299	3,683,126	8,616,425
Estimated health claims	1,280,490	-	1,280,490
Salaries payable	643,641	44,267	687,908
Retainage payable	802,131	204,083	1,006,214
Arbitrage payable	39,020	-	39,020
Unearned revenue	3,751,733	-	3,751,733
Meter deposits	-	556,550	556,550
Payables from restricted assets:			
Accrued bond interest	-	331,905	331,905
Accrued bond interest	188,539	-	188,539
Long-term liabilities:			
Due within one year	9,600,150	6,883,097	16,483,247
Due within more than one year	66,151,794	98,535,347	164,687,141
Total Liabilities	87,390,797	110,238,375	197,629,172
DEFERRED INFLOW OF RESOURCES			
Deferred inflows related to pensions	9,137,468	1,293,563	10,431,031
Deferred inflows related to OPEB	65,993	12,057	78,050
Deferred inflows related to leases	770,407	-	770,407
Total deferred inflow of resources	9,973,868	1,305,620	11,279,488
NET POSITION			
Net investment in capital assets	308,572,131	152,840,348	461,412,479
Restricted for:			
Community services	960,210	-	960,210
Community development	19,024,272	-	19,024,272
Public safety-police	3,756,114	-	3,756,114
Public safety-fire	1,801,172	-	1,801,172
Streets	24,321,684	-	24,321,684
Parks	7,396,501	-	7,396,501
Debt service	1,354,216	-	1,354,216
Capital projects	-	28,893,868	28,893,868
Unrestricted	49,884,164	17,846,772	67,730,936
Total Net Position	$ 417,070,464	$ 199,580,988	$ 616,651,452

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
Town manager's office	$ 3,680,978	$ -	$ -
Legislative services	513,592	29,887	-
Development services	2,192,825	2,645,219	-
Parks & recreation services	18,144,574	4,334,297	1,064
Library services	2,049,541	64,655	4,600
Police services	21,880,685	1,048,299	97,687
Financial services	4,728,707	1,165,109	-
Administrative services	7,055,671	-	-
Fire and emergency services	23,173,628	2,261,583	3,022,280
Communications	753,285	-	-
Public works	10,213,207	92,349	-
Environmental services	1,543,131	465,615	475,382
Interest on long-term debt	1,741,793	-	-
Total governmental activities	97,671,617	12,107,013	3,601,013
Business-type activities:			
Utilities-Stormwater	1,670,137	1,740,806	-
Utilities- Water and Wastewater	49,499,990	54,532,989	-
Total business-type activities	51,170,127	56,273,795	-
Total primary government	$ 148,841,744	$ 68,380,808	$ 3,601,013

General Revenues:
Property taxes
Sales taxes
Occupancy taxes
Franchise taxes
Alcoholic beverage taxes
Unrestricted investment earnings
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Net position - ending

The notes to the financial statements are an integral part of this statement

Program Revenues	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
$ -	$ (3,680,978)	$ -	$ (3,680,978)
-	(483,705)	-	(483,705)
-	452,394	-	452,394
366,253	(13,442,960)	-	(13,442,960)
-	(1,980,286)	-	(1,980,286)
-	(20,734,699)	-	(20,734,699)
-	(3,563,598)	-	(3,563,598)
-	(7,055,671)	-	(7,055,671)
-	(17,889,765)	-	(17,889,765)
-	(753,285)	-	(753,285)
8,277,344	(1,843,514)	-	(1,843,514)
-	(602,134)	-	(602,134)
-	(1,741,793)	-	(1,741,793)
8,643,597	(73,319,994)	-	(73,319,994)
-	-	70,669	70,669
7,728,163	-	12,761,162	12,761,162
7,728,163	-	12,831,831	12,831,831
$ 16,371,760	$ (73,319,994)	$ 12,831,831	$ (60,488,163)
	55,478,487	-	55,478,487
	34,929,500	-	34,929,500
	419,080	-	419,080
	7,038,300	-	7,038,300
	338,037	-	338,037
	940,523	469,387	1,409,910
	600,368	388,365	988,733
	2,802,185	(2,802,185)	-
	102,546,480	(1,944,433)	100,602,047
	29,226,486	10,887,398	40,113,884
	387,843,978	188,693,590	576,537,568
	$ 417,070,464	$ 199,580,988	$ 616,651,452

Town of Flower Mound, Texas
Balance Sheet
Governmental Funds
September 30, 2022

	General	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 13,145,291	$ 635,049	$ 17,448,321	$ 24,387,115	$ 55,615,776
Investments	19,454,747	778,697	6,113,776	31,070,794	57,418,014
Receivables (net of allowances for estimated uncollectibles):					
Ad valorem taxes	478,322	129,009	-	-	607,331
Other taxes	3,287,309	-	-	3,252,348	6,539,657
Accounts	1,377,878	-	-	10,304	1,388,182
Accrued interest	235,009	-	70,486	-	305,495
Intergovernmental	-	-	28,411	216,609	245,020
Leases	755,666	-	-	-	755,666
Interfund	-	-	-	182,727	182,727
Franchise fees	2,320,968	-	-	33,423	2,354,391
Inventory	901,652	-	-	-	901,652
Prepaid items	70,425	-	-	-	70,425
Total Assets	$ 42,027,267	$ 1,542,755	$ 23,660,994	$ 59,153,320	$ 126,384,336
LIABILITIES					
Accounts payable	$ 3,801,535	$ -	$ 272,955	$ 829,627	$ 4,904,117
Retainage payable	-	-	219,788	582,343	802,131
Arbitrage payable	-	-	39,020	-	39,020
Salaries payable	571,839	-	-	71,802	643,641
Interfund	-	-	-	182,727	182,727
Unearned revenue	-	-	-	3,751,733	3,751,733
Total Liabilities	4,373,374	-	531,763	5,418,232	10,323,369
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	1,900,314	125,792	-	-	2,026,106
Deferred inflows related to leases	770,407	-	-	-	770,407
Total deferred inflows of resources	2,670,721	125,792	-	-	2,796,513
FUND BALANCES					
Nonspendable for:					
Prepaids	70,425	-	-	-	70,425
Inventory	901,652	-	-	-	901,652
Restricted for:					
Community services	-	-	-	960,210	960,210
Community development	-	-	-	19,024,272	19,024,272
Public safety-police	-	-	-	3,756,114	3,756,114
Public safety-fire	-	-	-	1,801,172	1,801,172
Streets	-	-	14,134,276	12,783,139	26,917,415
Parks	-	-	503,159	7,396,501	7,899,660
Facilities	-	-	664,563	-	664,563
Debt service	-	1,416,963	-	-	1,416,963
Committed for:					
Community services	-	-	-	2,231,860	2,231,860
Public safety-police	-	-	-	115,244	115,244
Parks	-	-	-	5,666,576	5,666,576
Capital projects	-	-	7,827,233	-	7,827,233
Unassigned	34,011,095	-	-	-	34,011,095
Total Fund Balance	34,983,172	1,416,963	23,129,231	53,735,088	113,264,454
Total liabilities, deferred inflows of resources and fund balances	$ 42,027,267	$ 1,542,755	$ 23,660,994	$ 59,153,320	$ 126,384,336

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
As of September 30, 2022

Total fund balances - governmental funds	$ 113,264,454
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.	364,767,509
Certain receivables will be collected next year but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenues in the funds.	
Taxes	582,143
Franchise fees	716,625
Ambulance fees	199,466
Municipal court fees	115,975
Community activity center services	411,897
Two internal service funds are used by the Town's management. The assets and liabilities of the internal service fund are included with governmental activities, net of internal balances of ($281,038).	15,975,901
Deferred outflows (inflows) of resources are not reported in the governmental funds:	
Deferred charges on refundings	450,477
Pension contributions after measurement date	3,350,966
Pension difference in actual experience and actuarial assumptions	1,284,896
Pension investment income	(9,137,468)
Pension assumption losses	178,495
OPEB contributions after measurement date	307,487
OPEB difference in actual experience and actuarial assumptions	(65,993)
OPEB investment losses	608,117
Certain assets and liabilities are accrued in the government-wide statements. However, they are not accrued in the governmental fund statements.	
Accrued interest on the bonds	(188,539)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bonds payable	(13,404,999)
Certificates of obligation payable	(41,500,000)
Bond premium/discounts	(5,504,309)
Net pension payable	(5,647,331)
Compensated absences	(5,483,654)
OPEB payable	(4,211,651)
Net position of governmental activities	$ 417,070,464

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2022

	General	Debt Service	General Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Ad valorem	$ 41,998,055	$ 6,518,701	$ -	$ 7,023,502	$ 55,540,258
Sales	17,505,884	-	-	17,423,616	34,929,500
Franchise	6,827,086	-	-	141,963	6,969,049
Alcoholic beverage	338,037	-	-	-	338,037
Hotel occupancy	-	-	-	419,080	419,080
Licenses, permits and fees	3,238,852	-	-	1,628,697	4,867,549
Intergovernmental	1,747,483	-	59,481	3,636,130	5,443,094
Impact fees	-	-	1,381,721	-	1,381,721
Charges for services	4,613,906	-	-	70,665	4,684,571
Fines and forfeits	1,139,842	-	-	171,111	1,310,953
Investment earnings	271,883	16,481	176,971	362,634	827,969
Memorials and contributions	-	-	-	17,884	17,884
Other revenue	562,155	-	294,070	49,959	906,184
Total Revenues	78,243,183	6,535,182	1,912,243	30,945,241	117,635,849
EXPENDITURES					
Current					
Town manager's office	3,733,802	-	-	-	3,733,802
Legislative services	513,223	-	-	-	513,223
Development services	2,212,896	-	-	-	2,212,896
Parks & recreation services	9,229,602	-	-	6,356,039	15,585,641
Library services	2,079,638	-	-	6,641	2,086,279
Police services	17,842,652	-	-	3,411,408	21,254,060
Financial services	3,598,928	-	-	84,533	3,683,461
Administrative services	7,144,902	-	-	-	7,144,902
Fire and emergency services	17,947,527	-	-	6,439,385	24,386,912
Communications	697,477	-	-	26,752	724,229
Public works	5,713,683	-	-	5,631,739	11,345,422
Environmental services	1,562,986	-	-	-	1,562,986
Debt service	-	7,721,889	-	2,645,175	10,367,064
Capital projects	-	-	4,215,816	-	4,215,816
Total Expenditures	72,277,316	7,721,889	4,215,816	24,601,672	108,816,693
Excess (deficiency) of revenues over (under) expenditures	5,965,867	(1,186,707)	(2,303,573)	6,343,569	8,819,156
OTHER FINANCING SOURCES (USES)					
Transfers in	3,077,185	273,250	1,155,000	761,883	5,267,318
Transfers out	(1,916,883)	-	-	(823,250)	(2,740,133)
Total Other Financing Sources and Uses	1,160,302	273,250	1,155,000	(61,367)	2,527,185
Net change in fund balances	7,126,169	(913,457)	(1,148,573)	6,282,202	11,346,341
Fund balances - beginning	27,857,003	2,330,420	24,277,804	47,452,886	101,918,113
Fund balances - ending	$ 34,983,172	$ 1,416,963	$ 23,129,231	$ 53,735,088	$ 113,264,454

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2022

Net change in fund balances - total governmental funds	$	11,346,341
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures and do not reflect sales or transfers of capital assets. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense and gains and losses are recognized as they occur. (Additions of $19,164,378 and loss on disposals and transfers of $170,289.)		18,994,089
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the acquisition value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		6,294,475
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(18,951,230)
The issuance of long term debt (i.e. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount (bond proceeds of $0 less repayments of $7,910,000, plus amortization of deferred loss of $132,440, less discount of $822,632) is the net effect of these differences in the treatment of long-term debt and related items.		8,600,192
Current year changes in the long term liability for compensated absences do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		(293,087)
Current year changes in the long term liability and related outflows (inflows) for pensions do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		2,331,184
Current year changes in the long term liability and related outflows (inflows) for OPEB payables do not require the use of current financials resources; therefore, are not reported as expenditures in governmental funds.		(113,402)
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		25,079
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		53,040
Internal service funds are used by management to share the costs of certain activities, such as the purchase of insurance and vehicle and equipment replacements to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities, net of the amount allocated to business-type activities ($12,908).		939,805
Change in net position of governmental activities	$	29,226,486

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Net Position
Proprietary Funds
September 30, 2022

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	$ 8,774,122	$ 7,397,353
Investments	7,960,953	10,169,258
Receivables (net of allowances for estimated uncollectibles):		
Accounts	4,010,213	-
Unbilled services	2,677,764	-
Prepaids	545	-
Inventories, at cost	499,169	-
Restricted:		
Cash and cash equivalents	44,313,697	-
Investments	13,897,976	-
Total current assets	82,134,439	17,566,611
Capital assets:		
Land	4,419,755	-
Buildings	53,765,322	-
Distribution system	268,104,981	-
Equipment	3,872,703	-
Construction in progress	24,099,750	-
Accumulated depreciation	(126,612,276)	-
Total capital assets(net of accumulated depreciation)	227,650,235	-
Total noncurrent assets	227,650,235	-
Total Assets	309,784,674	17,566,611
DEFERRED OUTFLOW OF RESOURCES		
Deferred charges on refundings	217,592	-
Deferred outflows related to pensions	679,728	-
Deferred outflows related to OPEB	161,951	-
Total deferred outflow of resources	1,059,271	-
LIABILITIES		
Current liabilities:		
Accounts payable	3,683,126	29,182
Estimated health claims	-	1,280,490
Meter deposits	556,550	-
Salaries payable	44,267	-
Accrued bond interest	331,905	-
Retainage payable	204,083	-
Total current liabilities	4,819,931	1,309,672
Current liabilities payable from restricted assets:		
Current portion of accrued leave benefits	140,019	-
Current portion of contractual obligations	4,700,592	-
Current portion of general obligations	2,042,486	-
Total current liabilities payable from restricted assets	6,883,097	-
Total current liabilities	11,703,028	1,309,672
Noncurrent liabilities		
Accrued leave benefits	364,958	-
Net pension liability	789,709	-
OPEB payable	721,363	-
Contractual obligations	88,152,416	-
General obligation bonds	8,506,901	-
Total noncurrent liabilities	98,535,347	-
Total Liabilities	110,238,375	1,309,672
DEFERRED INFLOW OF RESOURCES		
Deferred inflows related to pensions	1,293,563	-
Deferred inflows related to OPEB	12,057	-
Total deferred inflow of resources	1,305,620	-
NET POSITION		
Net investment in capital assets	152,840,348	-
Restricted for capital projects	28,893,868	-
Unrestricted	17,565,734	16,256,939
Total Net Position	$ 199,299,950	$ 16,256,939

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Enterprise Fund Statement of Net Position
to the Government-wide Statement of Net Position
As of September 30, 2022

Total net position- enterprise fund	$ 199,299,950
Amounts reported for business-type activities in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of health insurance and replacement of vehicles and equipment to individual funds. The net position of certain internal service funds is reported with business-type activities.	281,038
Total net position- business-type activities	$ 199,580,988

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2022

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
Operating revenues:		
Charges for services	$ 55,853,907	$ 13,669,486
Penalties, fines and forfeits	419,888	-
Other	388,365	307,150
Total operating revenue	56,662,160	13,976,636
Operating expenses:		
Administration	6,217,507	-
Maintenance and operations	32,317,775	1,560,301
Depreciation	9,134,332	-
Health insurance and flexible benefits	-	11,851,176
Total operating expenses	47,669,614	13,411,477
Operating income	8,992,546	565,159
Nonoperating revenues (expenses):		
Interest income	469,387	112,554
Interest expense	(3,513,421)	-
Total nonoperating revenue (expenses)	(3,044,034)	112,554
Income before contributions and transfers	5,948,512	677,713
Contributions-developers	4,454,563	-
Contributions-impact fees	3,130,577	-
Contributions-other funds	143,023	-
Transfers in	-	275,000
Transfers out	(2,802,185)	-
Change in net position	10,874,490	952,713
Total net position - beginning	188,425,460	15,304,226
Total net position - ending	$ 199,299,950	$ 16,256,939

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Position of Enterprise Funds to the Statement of Activities
For the Year Ended September 30, 2022

Net change in fund net position- enterprise funds	$ 10,874,490
Amounts reported for business-type activities in the statement of activities are different because:	
Internal service funds are used by management to charge the costs of health insurance and replacement of vehicles and equipment to individual funds. The net revenue of certain internal service funds is reported with governmental activites. The amount shown represents the net revenue allocated to business-type activities.	12,908
Change in net position of business-type activities	$ 10,887,398

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	Business-type Activities Enterprise Funds	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 57,109,689	$ -
Cash received from transactions with other funds	-	14,332,239
Cash paid to employees for services	(7,277,012)	-
Cash paid for goods and services	(32,146,118)	(7,371,811)
Cash paid for claims	-	(6,146,352)
Net cash provided by operating activities	17,686,559	814,076
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	275,000
Transfers to other funds	(2,802,185)	-
Net cash provided (used) by noncapital financing activities	(2,802,185)	275,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payment on bonds payable and certificates of obligation	(5,420,000)	-
Interest and fiscal charges	(4,068,975)	-
Proceeds from issuance of debt	8,761,369	-
Proceeds from impact fees	3,130,577	-
Bond issuance costs paid	(154,315)	-
Purchase of capital assets	(3,281,744)	-
Net cash provided (used) by capital and related financing activities	(1,033,088)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturities of investment securities	21,764,577	(3,115,450)
Purchase of investment securities	(19,845,221)	(742,620)
Interest received	469,387	112,554
Net cash provided (used) by investing activities	2,388,743	(3,745,516)
Net increase (decrease) in cash and cash equivalents	16,240,029	(2,656,440)
Cash and cash equivalents, October 1	36,847,790	10,053,793
Cash and cash equivalents, September 30	$ 53,087,819	$ 7,397,353
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 8,992,546	$ 565,159
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	9,134,332	-
Change in assets and liabilities		
Decrease (Increase) in trade receivables	504,672	355,603
Decrease (Increase) in prepaids	31,554	-
Decrease (Increase) in unbilled receivables	(172,791)	-
Decrease (Increase) in inventory	73,749	-
Increase (Decrease) in deposits payable	10,345	-
Increase (Decrease) in pension liability	(306,531)	-
Increase (Decrease) in OPEB payable	10,815	-
Increase (Decrease) in accounts payable and accrued liabilities	(592,132)	(106,686)
Total adjustments	8,694,013	248,917
Net cash provided by operating activities	$ 17,686,559	$ 814,076
Noncash investing, capital, and financing activities:		
Contributions of capital assets from developers	$ 4,454,563	$ -
Transfer of capital assets from other funds	143,023	-

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2022

	Custodial Fund
	River Walk Public Improvement District Number 1
ASSETS	
Cash and cash equivalents	$ 2,090,999
Total Assets	2,090,999
LIABILITIES	
Due to debt holders	-
Total Liabilities	-
NET POSITION	
Restricted for CADG Riverwalk LLC	2,090,999
Total Net Position	$ 2,090,999

The notes to the financial statements are an integral part of this statement

Town of Flower Mound, Texas
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended September 30, 2022

	Custodial Fund
	River Walk Public Improvement District Number 1
ADDITIONS	
Interest income	$ 14,587
Total Additions	14,587
DEDUCTIONS	
Disbursements to debt holders	-
Total Deductions	-
Change in net position	14,587
Net position - beginning	2,076,412
Net position - ending	$ 2,090,999

The notes to the financial statements are an integral part of this statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Flower Mound is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The accounting and reporting policies of the Town conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board.

Component units are organizations for which the Town is financially accountable and all other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Based on these criteria, the financial information of the Flower Mound's Community Development Corporation has been blended with the Town's financial statements.

Blended Component Unit – Flower Mound's Community Development Corporation is a non-profit corporation that serves the citizens of the Town by improving municipal parks and recreational facilities through land acquisition and the development of parks. The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the Town of Flower Mound, and the specific purposes for which the Corporation is organized, and with Town Council approval, may issue bonds on behalf of the Town and expend the proceeds of any sales and use tax levied for projects authorized by Section 4B of Article 5190.6 of the Texas Revised Civil Statutes, as amended, for land, building, equipment, facilities, and improvements required or suitable for use for public park purposes and events, including parks and park facilities, and the maintenance and operation expenses for any of the above described projects.

Because the services that the Community Development Corporation provides exclusive benefits to the Town and the Community Development Corporation operations are so intertwined with those of the Town, the Community Development Corporation is in substance a department of the Town and has been blended into the Town's financial statements in the Other Governmental Funds category and reported as a Special Revenue Fund, 4B Parks-Sales Tax Fund.

B. Government-wide and Fund Financial Statements

The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. They contain information on all activities of the Town and its component units. As a general rule, most effects of inter-fund activity have been removed from these statements. Exceptions to this general rule are charges between the Town's utility function and various other functions of the Town and charges of the internal service funds to the enterprise fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately

from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function/program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or function/program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function/program; 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function/program; 3) capital grants and contributions, including special assessments. Taxes and internally dedicated resources are reported as general revenues rather than as program revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds, however, are not included in the totals for the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmental, proprietary and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue, as soon as, all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized, as soon as, they are both measurable and available. Revenues are considered measurable when the amount of the transaction can be determined and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues susceptible to accrual are property taxes, franchise fees, licenses, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on long-term general obligation debt of governmental funds.

General Capital Projects Fund – The General Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The Town reports the following non-major governmental funds:

Special Revenue Funds – The Town's Special Revenue Funds are used to account for revenue sources that are designated to finance particular functions or activities or are legally restricted to expenditures for specified purposes, as follows:

- *Library Development Fund* – accounts for all monetary donations made to the Flower Mound Public Library.
- *Tax Increment Reinvestment Zone (TIRZ) Fund* – accounts for financial resources and expenditures relating to the reinvestment zone.
- *Park Development Fund* – accounts for all monetary contributions and payments to the Town by developers in lieu of the dedication of actual park land.
- *Tree Preservation Fund* – accounts for funds donated to and used by the Town to provide or support supplemental landscape plantings in public areas and enforce tree preservation regulations.
- *Public Education Government (PEG) Fund* – accounts for revenues derived from cable providers in Flower Mound per Section 66-006 of the Texas Utilities Code.
- *Street Maintenance-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are expended on reconstruction or rehabilitation of street projects.
- *Parks 4B-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used for park and recreation improvements.
- *Crime District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two police beats with staff, equipment and vehicles.
- *Fire District-Sales Tax Fund* – accounts for revenues collected from dedicated sales tax approved by the voters for one-fourth of one percent. Funds are used to staff two fire stations with personnel and equipment.
- *Flower Mound Log Cabin Fund* – accounts for donations and expenditures related to the restoration, maintenance, or repair of the cabin site and/or exhibits.
- *Police Seizure Fund* – accounts for funds received under the Controlled Substances Act of the State of Texas with expenditures restricted to use solely in the investigation of any alleged violations of the criminal laws of the state and donations for the same purpose.

- *IRS Equitable Sharing Fund* – accounts for funds received for participating with the IRS task force on criminal investigations and asset forfeitures of illegal activities in the North Texas area.

- *Justice Seizures Fund* – accounts for funds received from the DEA, the DOJ, the US Federal Marshal's office, etc.

- *Chapter 59 Seizures Fund* – accounts for funds that are being pursued in the state-level courts and are held until they are awarded as forfeiture or denied.

- *Animal Care Fund* – accounts for funds received by donation to be used for the care of animals at the animal adoption center.

- *SAFER Grant Fund* – accounts for revenues derived from grant funding for thirty additional firefighters. The funds are expended for grant related purposes.

- *CDBG-HUD Grant Fund* – accounts for revenues derived from the Department of Housing and Urban Development for a Community Development Block Grant and funds are expended for grant related purposes.

- *Grants Fund* – accounts for revenues derived from various granting agencies. The funds are expended for grant related purposes.

- *Neighborhood Improvement Fund* – promotes reinvestment in neighborhoods to maintain property values though a town-sponsored repair and replacement program.

- *COVID-19 Fund* – accounts for revenues received from various granting agencies. The funds are expended for COVID-19 purposes.

- *Hotel Occupancy Tax Fund* – accounts for the accumulation of resources from the Hotel/Motel tax assessment levied by the Town. These monies are to be spent to promote the progress, development or growth of the Town within the guidelines set forth on the Texas Hotel Occupancy Tax Act.

- *Municipal Court Security Fund* – accounts for municipal court fees assessed to provide for court security.

- *Municipal Court Technology Fund* – accounts for municipal court fees assessed to finance the purchase of technological enhancements for municipal court.

- *Municipal Court Jury Fund* – accounts for municipal court fees assessed to finance jury services.

- *Municipal Court Truancy Prevention Fund* – accounts for municipal court fees assessed to finance expenditures related to juvenile case manager.

The Town reports the following proprietary funds:

Enterprise Fund – The Town's Enterprise Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. Activities of the fund include administration, operations and maintenance of the water, wastewater, and stormwater drainage systems and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

Internal Service Funds – The Town's Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the Town.

- *Health Insurance and Flexible Benefit Fund* – accounts for revenues from premium charges to the departments and employee contributions for individual and dependent coverage in which expenses include claim payments, administrative costs, and reinsurance premiums for the health, dental and eye programs.

- *Vehicle, Equipment and Technology Replacement Fund* – accounts for the purchase of vehicles and equipment operated by the Town in which the departments pay monthly amounts to provide funds for future replacement capital outlay.

Additionally, the Town reports the following fiduciary fund:

Fiduciary Funds – The Town's Fiduciary Funds are used to account for resources held by the Town for the benefit of outside entities. Since these resources cannot be used to support the operations of the Town, they are not shown in the government-wide financial statements. The accounting of fiduciary funds is similar to that of proprietary funds.

- *Public Improvement District (PID) Debt Service Custodial Fund* – accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the Town, as custodian for the Public Improvement District.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Town's investment in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

The Town pools cash from all funds for the purpose of increasing income through coordinated investment activities. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool. An individual fund's equity in the pooled cash accounts is available upon demand and are considered to be "cash equivalents" when preparing these financial statements. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" or "advances to/from other funds." Any residual balances between governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

Trade and property tax receivables are shown net of an allowance for uncollectibles.

F. Property taxes

Property taxes attach as an enforceable lien on property located in the Town as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. The Denton County Tax Assessor/Collector's office bills and collects the Town's property taxes.

The statutes of the State of Texas do not prescribe a legal limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. For the fiscal year ended September 30, 2022, the Town had a tax margin of $2.095 per $100 assessed valuation based upon the maximum rates described above.

G. Inventories

Inventories are accounted for by the consumption method. They are valued at weighted average cost and consist of automotive equipment, postage, meters and settings and gasoline purchased by the Town to use in its automobiles. The cost of the inventories is recorded as an expense when consumed rather than when purchased.

H. Prepaid Items

Prepaid balances are for payments made by the Town in the current year to provide services occurring in the subsequent fiscal year. The purchasing method is used to account for prepaids.

I. Restricted Assets

Certain proceeds of Enterprise Fund revenue bonds and other amounts designated for capital improvements, as well as, certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. The Town defines capital assets as assets with an initial individual cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings & Structures	20-45 years
Improvements other than Buildings	20-45 years
Utility Improvements	45 years
Vehicles	2-20 years
Machinery & Equipment	7-15 years
Furniture & Office Equipment	3-15 years
Bridges	45 years
Streets	20 years
Signals	10 years

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as reported by TMRS. For this purpose, plan contributions are recognized in the period that

compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's total pension liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

L. Compensated Absences

It is the Town's policy to permit employees to accumulate certain earned but unused vacation, holiday time, comp time, and sick pay benefits. Upon retirement of employment, as defined by the Texas Municipal Retirement System, an employee who has completed a minimum of ten (10) years of continuous service with the Town, shall be eligible for pay for one-half (½) of accumulated sick leave, or three hundred and sixty (360) hours, whichever is less. All vacation pay, holiday time and comp time is accrued when incurred in the government-wide and proprietary fund financial statements.

M. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line interest method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as, bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent an acquisition of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For detail of deferred outflows see Note 6.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For detail of deferred inflows see Note 6.

O. Other Post-Employment Benefits

For purposes of measuring the total Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF) OPEB liability, related deferred outflows and inflows of resources, and expense, Town specific information about its total TMRS SDBF liability and additions to/deductions from the Town's total TMRS SDBF liability have been determined on the same basis as reported by TMRS. The TMRS SDBF expense and deferred (inflows)/outflows of resources related to TMRS SDBF, primarily result from changes in the components of the total TMRS SDBF liability. Most changes in the total TMRS SDBF liability will be included in TMRS SDBF expense in the period of the change. For example, changes in the total TMRS SDBF liability resulting from current-period service cost, interest on the total OPEB liability (TOL), and changes of benefit terms are required to be included in TMRS SDBF expense immediately. Changes in the total TMRS SDBF liability that have not been included in TMRS SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to TMRS SDBF.

For purposes of measuring the total Retiree Health Care Plan OPEB liability as administered by the Town, related deferred outflows and inflows of resources, and expense, Town specific information about its total Retiree Health Care Plan liability and additions to/deductions from that liability have been determined on the same basis as reported by the Town. The expense and deferred (inflows)/outflows of resources related to are primarily the result from changes in the components of the total liability. Most changes in the total liability will be included in expense in the period of the change. For example, changes in the total liability resulting from current-period service cost, interest on the TOL, and changes of benefit terms are required to be included in the expense immediately. Changes in the total liability that have not been included in the expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to Retiree Health Care Plan.

P. Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Q. Fund Balance Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

R. Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the Town Council through an ordinance or resolution. The non-spendable fund balance classification include amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by ordinances of the Town Council – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town Council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed. The Town Council has the authority to assign amounts to be used for specific purposes.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

For the classification of Governmental Fund balances, the Town considers an expenditure to be made from the most restrictive first when more than one classification is available.

The Town Charter requires that 10 percent of the general and utility fund budget be placed in reserves to be used in case of unforeseen items of expenditure. The reserve is under the control of the Town Manager and distributed after approval of the Town Council.

2. CASH AND INVESTMENTS

In order to facilitate effective cash management practices, the cash of all funds is pooled into common accounts for the purpose of increasing income through combined investment activities. At year-end, the carrying amount of the Town's deposits was ($1,545,010) and the bank balance was $1,070,574. Collateral is required for all of the Town's deposits and shall be secured by pledged collateral with a fair value of no less than 103 percent of the principal, plus accrued interest, less an amount insured by federal deposit insurance. The Town authorized that collateral be in the form of U.S. Treasury obligations (fully and unconditionally guaranteed as to

principal and interest by the full faith and credit of the United States), obligations of the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or a Federal Home Loan Bank letter of credit and FDIC coverage. Bank deposits are fully insured, or collateralized, with securities held by the Town's agent in the Town's name. The Town had $119,842,462 invested in public funds investment pools included in this report as cash and cash equivalents.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m, or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

The Town deposits collections from all sources in interest bearing accounts established for each fund. Excess cash may be invested in obligations of the U.S. Treasury, U.S. Agencies, fully collateralized repurchase agreements, eligible municipal investment pools, no-load money market funds (regulated by the Securities and Exchange Commission) and certificates of deposit. The Town's Investment Policy, which is governed by state statutes and Town resolution, authorizes the investment instruments previously listed. The investments reported at September 30, 2022, were similar to those held during the fiscal year.

The Town has adopted the provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" (GASB 31). Investments that have a remaining maturity at the time of purchase in excess of one year are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, municipal securities and repurchase agreements.

The Town has investments in government pools at September 30, 2022 totaling $119,842,462, which are recorded at amortized cost.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2022, the Town has investments of $88,484,626 (Level 2 inputs) valued by a pricing service which uses an estimation process that values securities at the closing price reported on the active market on which the individual securities are traded.

At September 30, 2022, the Town had the following cash equivalents and investments:

	Fair Value	Weighted Avg Maturity (Days)
Primary Government:		
State Wide Investment Pools	$ 119,842,462	35
Treasuries	49,264,843	267
Federal Agencies	39,219,783	151
Total Primary Government	$ 208,327,088	87

The amounts for the Investment Pools (Texpool and Texstar) are included for financial reporting purposes in cash and cash equivalents. The Investment Pools qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals.

Interest rate risk. As a means of limiting its exposure to fair value losses arising from increasing interest rates, the Town's investment policy establishes the portfolio's maximum average dollar-weighted maturity, per pooled fund group, is 365 days for the operating funds, 180 days for the debt service funds, 730 days for the debt service reserve fund, 90 days for the special revenue funds and 365 days for the capital project funds.

Credit risk. The Town's investment policy, in conjunction with State law, specifies the type of credit rating of all authorized investments. The Town's investments in U.S. Agency securities include Federal Home Loan Mortgage Corporation (FHLMC) security, which is rated AAA by Standard's & Poor's and Aaa by Moody's Investors Service. On September 6, 2008, the Federal Housing Finance Agency (FHFA) was appointed as conservator of FNMA and FHLMC. The obligations of the agencies will be paid in the normal course of business during the conservatorship. The Treasury Department, through a secured lending credit facility and a senior preferred stock purchase agreement, has significantly enhanced the ability of FNMA and FHLMC to meet their obligations. FHFA does not anticipate that there will be any disruption in FNMA and FHLMC's pattern of payments or ongoing business operations. The investments in TexPool and TexStar carry a rating of AAAm by Standard and Poor's.

Concentration of credit risk. With the exception of U.S. Treasury securities and certificates of deposit, the Town's investment policy limits the amount that may be invested in any one issuer to a percentage of the total investment portfolio, 75% in U.S. Agencies, 70% in local government investment pools and 10% in local government obligations. As of September 30, 2022, 5% or more of the Town's total investments are in the following: TexPool (30.06%), TexStar (26.76%), Federal Agencies (18.96%) and Treasury Securities (23.75%), on a fair value basis.

Oversight for TexPool and TexSTAR. Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Hermes, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools.

TexSTAR is administered by JP Morgan Investment Management, Inc. and First Southwest and is rated AAAm by Standard and Poor's.

3. RECEIVABLES

Receivables at September 30, 2022, for the Town's individual major funds and other funds (non-major funds, internal service funds), in the aggregate, including the applicable allowances for uncollectible accounts, are shown below.

	General	Debt Service	Capital Projects	Utilities	Other Funds
Receivables					
Taxes	$ 495,827	$ 133,730	$ -	$ -	$ -
Accounts	3,485,129	-	-	4,920,080	10,304
Franchise fees	2,320,968	-	-	-	33,423
Unbilled services	-	-	-	2,677,764	-
Accrued interest	235,009	-	70,486	-	-
Intergovernmental	24,055	-	28,411	-	216,609
Other taxes	3,287,309	-	-	-	3,252,348
Leases	755,666	-	-	-	-
Gross receivables	10,603,963	133,730	98,897	7,597,844	3,512,684
Less: allowance	(2,148,811)	(4,721)	-	(909,867)	-
Net total receivables	$ 8,455,152	$ 129,009	$ 98,897	$ 6,687,977	$ 3,512,684

Governmental funds report unavailable and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue are reported as deferred inflows and unearned revenue are reported as a liability. The details of unavailable are shown below.

	Unavailable
Delinquent property taxes receivable (general fund)	$ 456,351
Municipal court receivable (general fund)	115,975
Franchise fee receivable (general fund)	716,625
Ambulance revenues (general fund)	199,466
Community Activity Center accounts receivable (general fund)	411,897
Delinquent property taxes receivable (debt service fund)	125,792
	$ 2,026,106

4. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of interfund receivables and payables at September 30, 2022 is as follows:

Due to Fund	Due From Fund	Amount	Purpose
Nonmajor Governmental	Nonmajor Governmental	$182,727	Short-term funding-intergovernmental receivable
	Total	$182,727	

There was an interfund balance at September 30, 2022 between the Street Maintenance Fund and the following funds: SAFER Grant and the Grants Fund for $182,727. These interfund balances are due to timing of receipts for amounts spent in advance.

Transfers between funds during the year were as follows:

Transfers From	Transfers To	Amount	Reason
Utility Fund	General Fund	$ 2,802,185	Administrative Cost Allocation
Nonmajor Governmental Fund	General Fund	275,000	CDC operation & maintenance
General Fund	Capital Projects Fund	150,000	Sidewalk links program
General Fund	Capital Projects Fund	115,000	Street Light program
General Fund	Capital Projects Fund	150,000	ADA Transition project
General Fund	Capital Projects Fund	200,000	Signal Pole Replacement
General Fund	Capital Projects Fund	90,000	Roadway Amenities project
General Fund	Capital Projects Fund	150,000	Traffic Detection Rehabilitation project
General Fund	Capital Projects Fund	300,000	Retaining Wall at the Mound project
Nonmajor Governmental Fund	General Debt Service Fund	273,250	Twin Coves park
Nonmajor Governmental Fund	Health Insurance Fund	275,000	COVID claims
General Fund	Nonmajor Governmental Fund	13,705	Bulletproof Vest Grant match
General Fund	Nonmajor Governmental Fund	748,178	SAFER Grant match
		$ 5,542,318	

5. CAPITAL ASSETS

Capital asset balances and activity for the year ended September 30, 2022, are summarized as follows:

Governmental activities:	Balance at October 1, 2021	Additions	Retirements/ Transfers	Balance at September 30, 2022
Capital assets not being depreciated:				
Land	$ 35,782,959	$ -	$ -	$ 35,782,959
Construction in progress	48,672,529	16,667,233	(22,097,368)	43,242,394
Total capital assets not being depreciated	84,455,488	16,667,233	(22,097,368)	79,025,353
Capital assets being depreciated:				
Buildings	94,215,651	276,403	18,414,687	112,906,741
Streets and bridges	445,550,218	6,294,475	1,586,439	453,431,132
Improvements	47,297,488	376,910	642,732	48,317,130
Equipment	27,461,227	1,843,832	(23,653)	29,281,406
Total capital assets being depreciated	614,524,584	8,791,620	20,620,205	643,936,409
Less accumulated depreciation for:				
Buildings	24,787,211	3,018,900	-	27,806,111
Streets and bridges	283,225,472	11,017,452	-	294,242,924
Improvements	17,192,154	2,249,530	-	19,441,684
Equipment	15,345,060	2,665,348	(1,306,874)	16,703,534
Total accumulated depreciation	340,549,897	18,951,230	(1,306,874)	358,194,253
Total capital assets, being depreciated, net	273,974,687	(10,159,610)	21,927,079	285,742,156
Governmental activities capital assets, net	$ 358,430,175	$ 6,507,623	$ (170,289)	$ 364,767,509

Business-type activities:	Balance at October 1, 2021	Additions	Retirements/ Transfers	Balance at September 30, 2022
Capital assets not being depreciated:				
Land	$ 4,419,755	$ -	$ -	$ 4,419,755
Construction in progress	26,735,581	3,272,068	(5,907,899)	24,099,750
Total capital assets not being depreciated	31,155,336	3,272,068	(5,907,899)	28,519,505
Capital assets being depreciated:				
Buildings	53,765,322	-	-	53,765,322
Distribution System	257,742,519	4,454,563	5,907,899	268,104,981
Equipment	3,811,621	152,699	(91,617)	3,872,703
Total capital assets being depreciated	315,319,462	4,607,262	5,816,282	325,743,006
Less accumulated depreciation for:				
Buildings	22,806,072	1,179,349	-	23,985,421
Distribution System	92,345,589	7,597,356	-	99,942,945
Equipment	2,417,900	357,627	(91,617)	2,683,910
Total accumulated depreciation	117,569,561	9,134,332	(91,617)	126,612,276
Total capital assets, being depreciated, net	197,749,901	(4,527,070)	5,907,899	199,130,730
Business-type activities capital assets, net	$ 228,905,237	$ (1,255,002)	$ -	$ 227,650,235

Business-type activities include $3,272,068 of the total $7,879,330 in additions of capital assets acquired through the use of debt.

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
Development services	$ 16,927
Library services	146,876
Parks and recreation services	3,083,117
Police services	1,243,139
Financial services	1,270,531
Fire and emergency services	1,587,146
Communications	38,542
Infrastructure services	11,564,952
Total depreciation expense-governmental activities	$ 18,951,230

Outstanding commitments at September 30, 2022, under authorized construction contracts were approximately $22,555,731. These outstanding commitments are to be financed by available cash and investment balances, which include proceeds from previous bond issuances.

Outstanding Commitments	
TIRZ	$ 8,024,246
Park Development	444,939
Street Maintenance	2,460,483
Parks-4B	442,444
ARPA	487,464
General Projects	1,120,946
Utility System Projects	9,575,209
Total outstanding commitments	$ 22,555,731

6. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflows and inflows of resources on the government-wide statement of net position are comprised of the following items:

Deferred Charges on Refundings

- Loss on refundings – difference in the carrying value of refunded debt and its reacquisition price. Additions result from any deferred losses on current fiscal year refundings. A reduction is the amount that is amortized over the shorter of the life of the refunded or refunding debt.

Deferred Outflows and Inflows Related to Pensions and OPEB

- Contributions after measurement date – Town contributions made from the evaluation date, December 31st to the fiscal year end, which are deferred and recognized in the following fiscal year.
- Difference in actual experience and actuarial assumption – difference in the actuarial economic and demographic assumptions and actual experience on liabilities. The

loss is deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.

- Changes in actuarial assumption – difference arising due to assumption changes. The loss is deferred and recognized over the remaining estimated average service lives of all members determined as of the measurement date.
- Investment gains/losses – difference in projected and actual earning on assets. The loss is deferred and amortized over a closed 5 year period.

A summary of changes in deferred outflows and inflows of resources is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Deferred amounts:				
Loss on refundings	$ 582,918	$ -	$ (132,441)	$ 450,477
Pension contributions after measurement date	3,266,256	3,376,704	(3,291,994)	3,350,966
Pension difference in actual experience and actuarial assumptions	1,519,219	-	(234,323)	1,284,896
Pension investment gains/losses	(3,472,816)	-	(5,664,652)	(9,137,468)
Pension assumption gains/losses	312,333	-	(133,838)	178,495
OPEB contributions after measurement date	87,342	308,648	(88,503)	307,487
OPEB difference in actual experience and actuarial assumptions	(143,611)	77,618	-	(65,993)
OPEB assumption gains/losses	630,523	-	(22,406)	608,117
Business-type activities:				
Deferred amounts:				
Loss on refundings	$ 302,181	$ -	$ (84,589)	$ 217,592
Pension contributions after measurement date	458,608	444,008	(432,870)	469,746
Pension difference in actual experience and actuarial assumptions	214,850	-	(30,811)	184,039
Pension investment gains/losses	(548,708)	-	(744,855)	(1,293,563)
Pension assumption gains/losses	43,541	-	(17,598)	25,943
OPEB contributions after measurement date	15,919	56,738	(14,758)	57,899
OPEB difference in actual experience and actuarial assumptions	(25,385)	13,328	-	(12,057)
OPEB assumption gains/losses	107,211	-	(3,159)	104,052

Deferred Inflows Related to Leases

- This amount is initially an offset to Leases Receivable recorded at lease commencement, and subsequently, recognized as revenue over the life of the lease term.

7. LONG TERM DEBT

On June 22, 2022, the Town issued $8,550,000 in Certificates of Obligation Series, 2022, which will pay for the contractual obligations incurred for constructing waterworks and sewer system improvements and extensions, including the acquisition of land and rights-of-way therefor and professional services rendered in connection therewith.

Governmental Activities:

Long-term debt of the Town consists of general obligation bonds, certificates of obligation, and obligations under compensated absence agreements. General obligation bonds and certificates of obligation retirement is provided from the debt service tax, together with interest earned within the Debt Service Fund.

The Town's outstanding general obligation bonds are as follows:

Series	Outstanding
2012 Refunding	$ 1,030,000
2013 Refunding	70,000
2014 Refunding	1,770,000
2014A Refunding	3,240,000
2016 Refunding	4,805,000
2020 Refunding	2,490,000
	$ 13,405,000

The debt service requirements of general obligation bonds are as follows:

Due Fiscal Year Ending	Principal General Obligation Bonds	Interest	Total
2023	$ 3,200,000	$ 522,631	$ 3,722,631
2024	3,010,000	389,334	3,399,334
2025	2,725,000	254,000	2,979,000
2026	2,195,000	139,275	2,334,275
2027	1,350,000	64,000	1,414,000
2028-2030	925,000	44,100	969,100
Total	$ 13,405,000	$ 1,413,340	$ 14,818,340

The Town's outstanding certificates of obligation are as follows:

Series	Outstanding
2013	$ 1,920,000
2014	315,000
2015	1,920,000
2015A	2,965,000
2016	3,025,000
2017	4,530,000
2017A	10,880,000
2018	5,150,000
2018A	5,320,000
2019	5,475,000
	$ 41,500,000

The debt service requirements of certificates of obligation are as follows:

Due Fiscal Year Ending	Principal Certificates of Obligation	Interest	Total
2023	$ 3,985,000	$ 1,659,450	$ 5,644,450
2024	4,130,000	1,520,131	5,650,131
2025	4,285,000	1,371,663	5,656,663
2026	4,435,000	1,205,269	5,640,269
2027	1,995,000	1,015,550	3,010,550
2028-2032	10,820,000	3,674,985	14,494,985
2033-2037	10,535,000	1,308,041	11,843,041
2038-2039	1,315,000	35,175	1,350,175
Total	$ 41,500,000	$ 11,790,264	$ 53,290,264

Business-type Activities:

Utility long-term debt of the Town consists of general obligation bonds and certificates of obligation. Retirement is provided primarily from the revenues or earnings of the Town's Utility Fund.

The Town's Utility System's outstanding general obligation bonds are as follows:

Series	Outstanding
2012 Refunding	$ 835,000
2014 Refunding	280,000
2014A Refunding	415,000
2016 Refunding	4,885,000
2020 Refunding	1,155,000
2021 Refunding	1,710,000
	$ 9,280,000

The debt service requirements of the Utility System's general obligation bonds are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2023	$ 1,705,000	$ 340,425	$ 2,045,425
2024	1,785,000	270,744	2,055,744
2025	1,425,000	202,325	1,627,325
2026	1,380,000	143,850	1,523,850
2027	1,315,000	93,100	1,408,100
2028-2031	1,670,000	119,500	1,789,500
Total	$ 9,280,000	$ 1,169,944	$ 10,449,944

The Town's Utility System's outstanding certificates of obligation are as follows:

Series	Outstanding
2012	$ 3,955,000
2013	5,635,000
2014	9,890,000
2015A	5,560,000
2016	6,580,000
2017A	6,915,000
2018A	3,355,000
2019	18,515,000
2020	7,395,000
2021	8,815,000
2022	8,550,000
	$ 85,165,000

The debt service requirements of the Utility System's certificates of obligation are as follows:

Due Fiscal Year Ending	Principal	Interest	Total
2023	$ 4,220,000	$ 3,285,353	$ 7,505,353
2024	4,440,000	3,060,913	7,500,913
2025	4,590,000	2,900,956	7,490,956
2026	4,780,000	2,727,453	7,507,453
2027	4,960,000	2,532,669	7,492,669
2028-2032	28,050,000	9,434,241	37,484,241
2033-2037	24,155,000	3,777,997	27,932,997
2038-2041	9,970,000	601,500	10,571,500
Total	$ 85,165,000	$ 28,321,082	$ 113,486,082

A summary of changes in long-term liabilities for the year ended September 30, 2022 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 17,430,000	$ -	$ (4,025,000)	$ 13,405,000	$ 3,200,000
Certificates of obligations	45,385,000	-	(3,885,000)	41,500,000	3,985,000
Bond premiums/discounts	6,326,940	-	(822,632)	5,504,308	822,632
Total bonds payable	69,141,940	-	(8,732,632)	60,409,308	8,007,632
Compensated absences	5,190,567	535,545	(242,458)	5,483,654	1,592,518
OPEB Liability	3,822,890	820,097	(431,336)	4,211,651	-
Net Pension Liability	13,926,618	5,683,038	(13,962,325)	5,647,331	-
Governmental activity Long-term liabilities	$ 92,082,015	$ 7,038,680	$ (23,368,751)	$ 75,751,944	$ 9,600,150
Business-type activities:					
General obligation bonds	$ 10,925,000		$ (1,645,000)	$ 9,280,000	$ 1,705,000
Certificates of obligations	80,390,000	8,550,000	(3,775,000)	85,165,000	4,220,000
Bond premiums/discounts	9,552,748	212,119	(807,472)	8,957,395	818,078
Total bonds payable	100,867,748	8,762,119	(6,227,472)	103,402,395	6,743,078
Compensated absences	512,467	61,616	(69,106)	504,977	140,019
OPEB Liability	658,399	140,534	(77,570)	721,363	-
Net Pension Liability	1,878,366	747,271	(1,835,928)	789,709	-
Business-type activity Long-term liabilities	$ 103,916,980	$ 9,711,540	$ (8,210,076)	$ 105,418,444	$ 6,883,097

Compensated absences payables are based on the assignment of an employee within a fund. Other postemployment benefits are liquidated from the Health Insurance and Flexible Benefit internal service fund, with the retiree subsidy amounts paid by the General Fund.

8. RISK MANAGEMENT

Effective January 1, 1993, the Town established a partially self-funded trust plan which offers medical, dental, vision, long-term life insurance and disability coverage to employees and their dependents. The Town maintains excess loss insurance which limits annual claims paid from the plan to a maximum of $150,000 for any individual claim and an aggregate amount of 125% of expected claims. Blue Cross Blue Shield of Texas, a third-party administrator, is employed by the plan to administer claims. Trustees have been appointed to receive employer and employee contributions and to disburse payments to the providers of the plan. Costs relating to the plan are recorded in an Internal Service Fund. Revenue is recognized from employee payroll deductions and from Town contributions for employee and dependent coverage.

Changes in the claims liability amount were:

	2022	2021
Unpaid claims at beginning of fiscal year	$1,354,884	$1,318,340
Claims incurred and changes in estimates	6,071,958	6,539,990
Payments	(6,146,352)	(6,503,446)
Unpaid claims at end of fiscal year	$1,280,490	$1,354,884

All claims are due within one year.

Liability and property insurance coverage is provided by TML Intergovernmental Risk Pool. The Town retains, as a risk only, the deductible amounts for each declaration of coverage. There were no reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

The Town is a member of the Texas Municipal League Intergovernmental Risk Pool. Insurance coverage of the Town is divided into the following types: real and personal property, mobile equipment, boiler and machinery, general liability, law enforcement liability, errors and omissions liability, automobile liability, automobile physical damage, automobile catastrophe, crime, public official liability, and employee benefits liability.

9. TAX ABATEMENTS

The Town enters into economic development agreements designed to promote development and redevelopment within the Town, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the Town. These programs rebate or abate property, sales and hotel taxes and also include incentive payments and/or reduction in fees that are not tied to taxes. The Town's Economic Development Agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 312 (Property Redevelopment and Tax Abatement Act), and Chapter 311 (Tax Increment Financing Act) of the Texas Tax Code.

The Town has three categories of economic development agreements:

- Tax Abatements - Property taxes can be abated starting at 20% and is negotiable for up to 10 years. The amount rebated is dependent on the minimum capital investment, the total number of full-time equivalents added to the local workforce, annual salaries of those employees, and environmentally conscious efforts. For fiscal year ending September 30, 2022, the Town abated $37,918,261 in real and/or personal property value, resulting in $153,569 in abated taxes.

- General Economic Development – The Town enters into economic development agreements under Chapter 380 of the Texas Local Government code to stimulate economic development. These agreements authorize the rebate of varying percentages of real and/or personal property taxes, a portion impact fees, permit waivers, or other expenses related to relocation costs, tenant finish-outs, and infrastructure. For fiscal year ending September 30, 2022, the Town rebated $278,007 in property taxes and $3,045 in sales taxes.

- Tax Increment Financing – The Town has one active Tax Increment Reinvestment Zone (TIRZ #1) under Chapter 311 of the Texas Tax Code. The TIRZ #1 2022 Annual Report identified an ending fund balance of $19,024,272, after total revenue of $7,158,733 and total expenditures of $5,763,233.

All incentive agreements (Chapter 380 and Tax Abatement Agreements) contain repayment (recapture) language, requiring the incentive recipient to refund the incentives if the recipient does not meet their contractual obligations outlined in the agreement. Obligations of incentive recipients vary, but typically include a timing deadline with regard to completion of construction, a deadline to receive a certificate of occupancy for the facility being incentivized, a minimum number of jobs (if the business is known), or a minimum taxable value, etc. Incentive recipients are to be notified of the default of their performance and given the opportunity to cure the default within a defined timeframe. If the default cannot be cured, then the recipient shall repay the amount of the incentive to the Town.

10. COMMITMENTS AND CONTINGENT LIABILITIES

Various claims and lawsuits are pending against the Town. In the opinion of Town management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the Town's financial position, result of operations, or cash flows.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e. purchase orders). While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances are re-appropriated against the subsequent year's budget. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year in the General Fund were $480,052.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The Town contracts with the Upper Trinity Regional Water District (UTRWD), a conservation and reclamation district whereby the District finances, constructs, operates and maintains water treatment facilities for the benefit of the Town. Under the current contract (which expires May 2022 or when the Bonds issued by UTRWD for the system have been paid in full, whichever is later) the Town agrees to purchase an agreed upon minimum of wholesale treated water service for resale at the rate established annually by UTRWD based on the Town's proportionate share of the annual requirement, and the Town is unconditionally liable to purchase the annual minimum regardless of the needs of the Town. The Town made $19,240,798 in payments to UTRWD in the current fiscal year.

On February 22, 2011 Trinity River Authority of Texas (TRA), issued $4,735,000 of Town of Flower Mound Wastewater Transportation Contract Revenue Bonds, Series 2011 maturing August 1, 2030, for the purpose of design, acquisition and construction of the Town's portion of the Graham Branch Wastewater Transportation System Phase II. The project consists of a lift station and force main used to transport wastewater from the towns of Flower Mound, Argyle, and Northlake to the TRA Denton Creek Regional Wastewater System. TRA will acquire,

construct, own, and operate the facilities. The Town is responsible to pay monthly installments equal to the annual payment sufficient for TRA to meet its bond service requirements. In addition to these payments the Town is separately contracted to pay operation and maintenance costs of the project. The Town made $483,513 in payments to TRA in the current fiscal year.

11. DEFINED BENEFIT PENSION PLAN

Plan Description

The Town participates as one of 901 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Title 8, Subtitle G (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the Town Council, within the options available in the state statutes governing TMRS. Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. The plan also provides death benefits, and disability benefits. Effective January 1, 2002, members are vested after 5 years.

A Summary of plan provisions adopted by the Town as of December 31, 2021 is as follows:

Employee deposit rate	7.0%
Matching ratio (Town to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (age / years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase to retirees	0% of Consumer Price Index (CPI)

Employees covered by benefit terms:

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Employees Covered by Benefit Terms	
Inactive employees or beneficiaries currently receiving benefits	294
Inactive employees entitled to but not yet receiving benefits	477
Active Employees	616
	1,387

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the member's total compensation, and the city matching percentages are either 1:1 (1 to 1), 1.5:1 (1 ½ to 1) or 2:1 (2 to 1), both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the Town of Flower Mound were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 11.41% and 11.31% in calendar years 2021 and 2022, respectively. The Town's contributions to TMRS for the year ended September 30, 2022, were $5,243,131, and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

Discount rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2020	$ 171,882,117	$ 156,077,132	$ 15,804,985
Changes for the year:			
Service cost	6,845,217	-	6,845,217
Interest	11,613,126	-	11,613,126
Difference between expected and actual experience	794,310	-	794,310
Changes of assumptions	-	-	-
Contributions- employer	-	5,151,464	(5,151,464)
Contributions- employee	-	3,194,435	(3,194,435)
Net investment income	-	20,368,198	(20,368,198)
Benefits payments, including refunds of employee contributions	(6,516,819)	(6,516,819)	-
Administrative expense	-	(94,144)	94,144
Other changes	-	645	(645)
Net Changes	$ 12,735,834	$ 22,103,779	$ (9,367,945)
Balance at 12/31/2021	$ 184,617,951	$ 178,180,911	$ 6,437,040

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as, what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate	Discount Rate (6.75%)	1% Increase in Discount Rate
Town's net pension liability	$ 34,436,387	$ 6,437,040	$ (16,527,056)

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by participating city and may be obtained at www.tmrs.com.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

For the year ended September 30, 2022, the Town recognized pension expense of $2,609,597.

At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	$ 1,468,935	$ -
Difference between projected and actual investment earnings	-	10,431,031
Contributions subsequent to the measurement date	3,820,712	-
Changes in Actuarial assumptions	204,438	-
Total	$ 5,494,085	$ 10,431,031

$3,820,712 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended September 30,	
2023	$ (1,012,860)
2024	(3,849,118)
2025	(1,992,995)
2026	(1,902,685)
Total	$ (8,757,658)

12. OTHER POST-EMPLOYMENT BENEFITS

The Town provides for two post-employment benefit (OPEB) plans; one provides for postemployment healthcare through a single-employer defined benefit healthcare plan (Retiree Health Care Plan-OPEB), and the other is the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF), a single employer defined benefit OPEB plan. Both plans are described in detail.

Aggregate amounts for the two OPEB plans are as follows:

	Healthcare OPEB	TMRS SDBF	Total
Total OPEB Liability	$ 2,984,306	$ 1,948,708	$ 4,933,014
Deferred outflows of resources	672,970	404,585	1,077,555
Deferred inflows of resources	4,073	73,977	78,050
OPEB Expense	281,418	220,878	502,296

TMRS Supplemental Death Benefits Fund

Plan Description

The Town voluntarily participates in a single-employer, defined benefit other post-employment benefit (OPEB) plan administered by TMRS. The plan is a group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). The Plan is established and administered in accordance with the TMRS Act identically to the Town's pension plan. SDBF includes coverage for both active and retired members, and assets are commingled for the payment of such benefits. Therefore, the Plan does not qualify as an OPEB Trust in accordance with paragraph 4 of GASB Statement No. 75.

Benefits Provided

The SDBF provides group-term life insurance to Town employees who are active members in TMRS, including or not including retirees. The Town Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	191
Inactive employees entitled to but not yet receiving benefits	96
Active employees	616
Total	903

Contributions

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rates were 0.12% and 0.23% for 2021 and 2022, respectively. 0.04% and 0.04% of the contractually required rates for 2021 and 2022, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The Town's contributions to the SDBF for the years ended September 30, 2022 and 2021 were $56,087 and $55,868, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions and Other Inputs

The total SDBF OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50% per annum
Actuarial cost method	Entry age normal
Discount rate	1.84 %
Projected salary increases	3.50% to 11.50% including inflation

Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are accounted for under the reporting requirements under GASB Statement No. 68.

Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to floor.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. These were adopted in 2019 and first used in the December 31, 2019 actuarial valuation.

Discount Rate

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 1.84% was used to measure the total OPEB liability. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The discount rate was based on the Fidelity Index’s “20-Year Municipal GO AA Index” rate as of December 31, 2021.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (1.84%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate	Discount Rate (1.84%)	1% Increase in Discount Rate
Total OPEB Liability	$ 2,431,893	$ 1,948,708	$ 1,580,957

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town's total OPEB liability of $1,948,708 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date. For the year ended September 30, 2022, the Town recognized OPEB aggregate expense of $220,878. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2020	$ 1,740,576
Changes for the year:	
Service cost	114,087
Interest	35,770
Change of benefit terms	-
Difference between expected and actual experience	10,856
Changes of assumptions and other inputs	65,673
Benefit payments	(18,254)
Net changes	208,132
Balance at 12/31/2021	$ 1,948,708

Changes in assumptions and other inputs reflect a change in the discount rate from 2.00% to 1.84% and the changes in actuarial assumptions adopted in 2021.

At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 73,977
Changes in actuarial assumptions	364,077	-
Contributions subsequent to the measurement date	40,508	-
Totals	$ 404,585	$ 73,977

$40,508 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2023. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,		
2023	$	71,021
2024		70,005
2025		56,572
2026		53,102
2027		31,409
Thereafter		7,991
Total	$	290,100

Retiree Health Care Plan

Plan Description

The Town provides health care benefits through a single-employer defined benefit healthcare plan for all regular full-time employees who retire after December 31, 2006 and meet minimum retirement age of 60 and have been employed by the Town for five years continuously prior to retirement or have twenty years or more of service at any age.

Benefits Provided

The Retiree Health Care Plan provides medical and dental coverage for those employees that meet the eligibility requirements and opt into the plan at retirement. Employees who become disabled are not eligible for retiree health care benefits. The spouse of a current employee can continue to receive coverage when the employee retires if the spouse was covered at the time of retirement, and the retiring employee meets the previously outlined criteria for continued coverage, and the retiring employee continues to elect (and pay for) coverage for the dependent at open enrollments. The spouses of all future retirees can continue to receive coverage under these circumstances, assuming the current policy remains unchanged. Retirees who decide to opt-out of the health care plan are not eligible to opt back in. Survivors of employees who die while actively employed are not eligible for retiree health care benefits, unless the employee was a Public Safety Officer.

The number of employees currently covered by the benefit terms is as follows:

Retirees and Beneficiaries	6
Inactive, Nonretired Employees	-
Active Employees	541
Total	547

Contributions

Currently the retiree contributes 100% of the blended healthcare premium for coverage and is also responsible for payment of premiums for any dependent coverage. Beginning January 1, 2015, the contribution rates for retirees and their dependents is based upon the retiree premium rates as developed in the most recent actuarial valuation report of the Town's retiree health care plan. Retiree contribution rates for fiscal year 2021-2022 ranged from $799.77 to $2,479.49 per month depending on coverage levels selected. There are two retirees whose contribution rate is

$108.80 per month for employee plus family dental and vision coverage only and three retirees whose contribution rate is $38.86 for employee only dental and vision.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50%
Actuarial cost method	Individual Entry Age
Discount rate	1.84%
Projected salary increases	3.50% to 11.5% including inflation

Administrative expenses for the Retiree Health Care Plan are recognized on a pay-as you-go basis.

Mortality rates for healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate rates of scale MP-2019 to account for future mortality improvements.

Health Care trend rates were estimated using an initial rate of 7.00% declining to an ultimate rate of 4.25% after 13 years.

Participation rates assumed that 15% of those eligible for a service-based subsidy and 0% of those without a service-based subsidy would elect coverage. It was assumed no employees would maintain their health coverage through the Town's plan if they retire prior to age 50, except those retiring through TMRS disability retirement. All retirees are assumed to discontinue coverage upon reaching eligibility for Medicare.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018, as conducted for the Texas Municipal Retirement System (TMRS).

Discount Rate

Because the Retiree Health Care plan is essentially a "pay-as-you-go" plan and does not have formal assets, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (1.84%) in measuring the total OPEB liability.

	1% Decrease in Discount Rate	Discount Rate (1.84%)	1% Increase in Discount Rate
Total OPEB Liability	$ 3,295,181	$ 2,984,306	$ 2,700,291

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the Total OPEB Liability if the healthcare trend rate used was 1% less than and 1% greater than the healthcare trend rate that was used (7.00%) in measuring the total OPEB liability.

	1% Decrease in Health Care Trend Rate	Current Health Care Trend Rate Assumption	1% Increase in Health Care Trend Rate
Total OPEB Liability	$ 2,598,896	$ 2,984,306	$ 3,451,328

OPEB Liability, Expense, and Deferred Outflows of Resources Related to OPEBs

The Town's total OPEB liability of $2,984,306 was measured as of December 31, 2021 and was determined by an actuarial valuation as of that date. For the year ended September 30, 2022, the Town recognized OPEB aggregate expense of $281,418. There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2020	$ 2,740,713
Changes for the year:	
Service cost	197,848
Interest	55,816
Change of benefit terms	-
Difference between expected and actual experience	40,267
Changes of assumptions and other inputs	47,361
Benefit payments	(97,699)
Net changes	243,593
Balance at 12/31/2021	$ 2,984,306

Changes in assumptions and other inputs reflect a change in the discount rate from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021.

At September 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 4,073
Changes in actuarial assumptions	348,093	-
Contributions subsequent to the measurement date	324,877	-
Totals	$ 672,970	$ 4,073

$324,877 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2023	$ 27,754
2024	27,754
2025	27,754
2026	27,754
2027	18,902
Thereafter	214,102
Total	$ 344,020

13. LEASES

Effective October 1, 2021, the Town implemented GASB Statement No. 87, Leases, which required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The adoption of GASB No. 87 had no historical impact on the Town's net position and no restatement of net position was made.

Lessor – The Town recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental funds financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the Town initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts. The Town uses the lessee's rate or the rate disclosed in the agreement. If the rate is not readily available, the Town uses its estimated incremental borrowing rate over a similar term as the discount rate. The lease term

includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lease receivable – At the start of current fiscal year, the Town was leasing cell sites as lessor. These leases all had varying terms between two and five years. The Town recognized $313,173 in lease and interest revenue during the current fiscal year related to these leases. As of September 30, 2022, the Town's receivable for lease payments was $755,666. Also, the Town has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2022, the balance of the deferred inflow of resources was $770,407.

14. NEW FINANCIAL REPORTING REQUIREMENTS

The GASB has issued the following statements:

Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will become effective fiscal year 2023.

15. SUBSEQUENT EVENTS

The Town has evaluated events and transactions for potential recognition or disclosure through March 15, 2023, the date the financial statements were available to be issued, and the Town has found no significant events to disclose.

Town of Flower Mound, Texas
Required Supplemental Information
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUES						
Taxes	$ 62,725,378	$ 62,725,378	$ 66,669,062	$ -	$ 66,669,062	$ 3,943,684
Licenses, permits and fees	2,673,425	2,675,075	3,238,852	-	3,238,852	563,777
Intergovernmental	1,200,000	1,200,000	1,747,483	-	1,747,483	547,483
Charges for services	5,016,920	5,016,920	4,613,906	-	4,613,906	(403,014)
Fines and forfeits	845,010	845,010	1,139,842	-	1,139,842	294,832
Investment earnings	25,300	25,300	271,883	-	271,883	246,583
Other revenue	650,265	650,265	562,155	-	562,155	(88,110)
Total Revenues	73,136,298	73,137,948	78,243,183	-	78,243,183	5,105,235
EXPENDITURES						
Town manager's office	3,999,723	4,316,453	3,733,802	130	3,733,932	582,521
Legislative services	516,632	516,632	513,223	-	513,223	3,409
Development services	2,227,363	2,235,563	2,212,896	(8,400)	2,204,496	31,067
Parks & recreation services	9,545,981	9,652,304	9,229,602	233,847	9,463,449	188,855
Library Services	2,077,771	2,087,771	2,079,638	6,022	2,085,660	2,111
Police services	17,850,862	18,035,708	17,842,652	171,781	18,014,433	21,275
Financial services	3,720,704	3,760,164	3,598,928	-	3,598,928	161,236
Administrative services	7,361,231	7,456,088	7,144,902	100,626	7,245,528	210,560
Fire and emergency services	17,515,702	17,989,349	17,947,527	33,878	17,981,405	7,944
Communications	703,797	703,797	697,477	-	697,477	6,320
Public works	6,133,549	6,102,754	5,713,683	192,690	5,906,373	196,381
Environmental services	1,625,679	1,625,679	1,562,986	13,866	1,576,852	48,827
Total Expenditures	73,278,994	74,482,262	72,277,316	744,440	73,021,756	1,460,506
Excess (deficiency) of revenues over (under) expenditures	(142,696)	(1,344,314)	5,965,867	(744,440)	5,221,427	6,565,741
OTHER FINANCING SOURCES (USES)						
Transfers in	3,077,185	3,273,012	3,077,185	-	3,077,185	(195,827)
Transfers out	(1,916,884)	(1,916,884)	(1,916,883)	-	(1,916,883)	1
Total other financing sources and uses	1,160,301	1,356,128	1,160,302	-	1,160,302	(195,826)
Net change in fund balances	1,017,605	11,814	7,126,169	(744,440)	6,381,729	6,369,915
Fund balances - beginning	27,857,003	27,857,003	27,857,003	-	27,857,003	-
Fund balances - ending	$ 28,874,608	$ 27,868,817	$ 34,983,172	$(744,440)	$ 34,238,732	$ 6,369,915

TOWN OF FLOWER MOUND, TEXAS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2022

The Town adopts an "appropriated budget" of governmental fund types on the modified accrual basis of accounting by department. The Town is required to present the adopted and final amended budgeted revenues and expenditures. The Town compares the final amended budget to actual revenues and expenditures. The General Fund budget appears on page 79 and other informational budgets are presented in the individual fund statements.

The Town Manager submits to the Town Council, between sixty and ninety days prior to the beginning of each fiscal year, a proposed budget for all funds of the Town. At the meeting of the Town Council at which the budget is submitted, the Town Council determines the time and place of the public hearing on the budget and causes to be published a notice of the budget hearing. After the budget hearing, the budget may be adopted by a favorable vote of three of the members of the Town Council. Upon adoption, the budget is filed with the Town Secretary, the County Clerk of Denton County and the County Clerk of Tarrant County.

During the fiscal year, the Town Council may transfer funds allocated to a department to another department or re-estimate revenue or expenditures. The Town Manager may transfer budgeted funds within a department. Expenditures should not exceed appropriations at the department level, the classification level as reported in the combined financial statements except transfers out which are included for budget purposes in a Non-Departmental department.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP) except that encumbrances are treated as budgeted expenditures in the year of commitment. Unencumbered appropriations at fiscal year end lapse except for multi-year grants and/or projects. For budgeting purposes, encumbrances are treated as expenditures.

During fiscal year 2021-2022, the Town Council of the Town of Flower Mound amended the budget for the General Fund five times. The original expenditure budget was amended to increase the budget by $1,203,268.

The Financial Services budget was increased by $187,660 for the Home Improvement Incentive Program. The Facilities budget was increased by $105,000 for underground fuel storage tanks removal at Fire Station 2, generator installation at Fire Station 6 and Community Activity Center wall replacement. Town Manager's Office budget increased by $393,870 to account for Council Committed funds. Town Manager's Office budget also increased by $32,860 due to an increase in liability insurance. The Parks and Recreation budget was increased by $138,500 due to increases in the mowing contract, and $1,650 for team benches at athletic fields. Municipal Courts budget increased by $92,895 to replace the audio/video system in the court room. The remaining $250,833 was an increase to re-appropriate the balances of outstanding purchase orders for items or services ordered but not received by September 30, 2021.

The revenue budget was increased with amendments by $195,827 due to closing out the Parks and Recreation Special Activities Fund due to Governmental Accounting Standards Board (GASB) requirements. The revenue budget was also increased by $1,650 for a donation from the Town's youth football provider to purchase benches at athletic fields.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Changes in Net Pension Liability and Related Ratios
Last Eight Fiscal Plan Years (Previous years are not available)

	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability:								
Service Cost	$ 4,090,390	$ 4,692,031	$ 5,117,444	$ 5,520,137	$ 5,790,170	$ 6,054,483	$ 6,574,622	$ 6,845,217
Interest	6,286,051	6,874,186	7,453,691	8,218,307	9,001,156	9,813,806	10,769,532	11,613,126
Difference between expected and actual experience	205,066	1,205,977	1,666,086	1,175,904	1,153,606	1,679,595	388,866	794,310
Change of assumptions	-	2,074,237	-	-	-	658,746	-	-
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)	(4,391,201)	(4,224,414)	(6,516,819)
Net change in total pension liability	$ 8,291,109	$ 12,176,021	$ 11,234,153	$ 11,695,571	$ 12,260,492	$ 13,815,429	$ 13,508,606	$ 12,735,834
Total pension liability - beginning	88,900,736	97,191,845	109,367,866	120,602,019	132,297,590	144,558,082	158,373,511	171,882,117
Total pension liability - Ending (a)	$ 97,191,845	$ 109,367,866	$ 120,602,019	$ 132,297,590	$ 144,558,082	$ 158,373,511	$ 171,882,117	$ 184,617,951
Plan fiduciary net position:								
Contributions - Employer	$ 2,688,103	$ 3,026,380	$ 3,188,542	$ 3,767,294	$ 4,085,713	$ 4,340,811	$ 4,698,644	$ 5,151,464
Contributions - Employee	2,123,871	2,248,064	2,389,176	2,579,504	2,705,159	2,844,388	3,053,905	3,194,435
Net Investment Income	4,852,360	135,954	6,408,566	14,374,734	(3,629,822)	18,646,488	10,776,001	20,368,198
Benefit payments, including refunds of employee contributions	(2,290,398)	(2,670,410)	(3,003,068)	(3,218,777)	(3,684,440)	(4,391,201)	(4,224,414)	(6,516,819)
Administrative Expenses	(50,652)	(82,800)	(72,340)	(74,475)	(70,114)	(105,274)	(69,670)	(94,144)
Other	(4,164)	(4,090)	(3,898)	(3,774)	(3,664)	(3,163)	(2,717)	644
Net change in plan fiduciary net position	$ 7,319,120	$ 2,653,098	$ 8,906,978	$ 17,424,506	$ (597,168)	$ 21,332,049	$ 14,231,749	$ 22,103,778
Plan fiduciary net position - beginning	84,806,800	92,125,920	94,779,019	103,685,997	121,110,503	120,513,335	141,845,384	156,077,133
Plan fiduciary net position - ending (b)	$ 92,125,920	$ 94,779,018	$ 103,685,997	$ 121,110,503	$ 120,513,335	$ 141,845,384	$ 156,077,133	$ 178,180,911
Net pension liability (a)- (b)	$ 5,065,925	$ 14,588,848	$ 16,916,022	$ 11,187,087	$ 24,044,747	$ 16,528,127	$ 15,804,984	$ 6,437,040
Plan fiduciary net position as a percentage of total pension liability	94.79%	86.66%	85.97%	91.54%	83.37%	89.56%	90.80%	96.51%
Covered payroll	30,307,892	32,115,199	34,116,296	36,850,050	38,601,134	40,634,112	43,627,217	45,634,783
Net pension liability as a percentage of covered payroll	16.71%	45.43%	49.58%	30.36%	62.29%	40.68%	36.23%	14.11%

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Schedule of Contributions
Last Ten Fiscal Years

Fiscal Year	(1) Actuarial determined contribution	(2) Contribution in relation to the Actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered Payroll	(5) Contributions as a percentage of Covered Payroll (2) / (4)
2013	2,526,334	2,526,334	-	28,325,218	8.92%
2014	2,644,038	2,644,038	-	29,731,270	8.89%
2015	2,883,444	2,958,444	75,000	31,692,484	9.33%
2016	3,196,435	3,251,435	55,000	34,809,474	9.34%
2017	3,544,829	3,544,829	-	35,992,438	9.85%
2018	4,035,061	4,035,061	-	38,525,767	10.47%
2019	4,139,960	4,139,960	-	39,872,578	10.38%
2020	4,486,154	4,486,154	-	42,056,582	10.67%
2021	4,967,961	4,967,961	-	44,655,412	11.13%
2022	5,243,131	5,243,131	-	46,770,827	11.21%

Valuation Date:
Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 13 months later.

Methods and assumptions used to determine contribution rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll, closed
Remaining Amortization Period	23 Years (longest amortization ladder)
Asset Valuation Method	10-year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully general basis with scale UMP.

Other Information:

Notes	There were no benefit changes during the year.

Town of Flower Mound, Texas
Required Supplemental Information
TMRS Supplemental Death Benefit Schedule of Changes in Total OPEB Liability and Related Ratios
Last Five Fiscal Plan Years (Previous years are not available)

Measurement Date December 31,	2017	2018	2019	2020	2021
A. Total OPEB liability					
Service Cost	$ 58,960	$ 69,482	$ 65,015	$ 87,254	$ 114,087
Interest (on the Total OPEB Liability)	35,744	37,812	45,898	40,278	35,770
Difference between expected and actual experience	-	84,553	(143,228)	(56,355)	10,856
Changes of assumptions	100,568	(90,860)	255,097	252,729	65,673
Benefit payments	(3,685)	(3,860)	(4,063)	(8,725)	(18,254)
Net change in Total OPEB liability	191,587	97,127	218,719	315,181	208,132
Total OPEB liability - beginning	917,962	1,109,549	1,206,676	1,425,395	1,740,576
Total OPEB liability - ending	1,109,549	1,206,676	1,425,395	1,740,576	1,948,708
B. Covered payroll	$ 36,850,050	$ 38,601,134	$ 40,634,112	$ 43,627,217	$ 45,634,783
C. Total OPEB liability as a percentage of covered payroll	3.01%	3.13%	3.51%	3.99%	4.27%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*
- Included in the changes of assumptions for 2020 was a decrease to the discount rate from 2.75% to 2.00%.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Town of Flower Mound, Texas
Required Supplemental Information
Retiree Insurance Schedule of Changes in Total OPEB Liability and Related Ratios
Last Five Fiscal Plan Years (Previous years are not available)

Measurement Date December 31,	2017	2018	2019	2020	2021
A. Total OPEB liability					
Service Cost	$ 84,755	$ 116,359	$ 72,917	$ 101,855	$ 197,848
Interest (on the Total OPEB Liability)	76,129	77,152	57,328	49,091	55,816
Difference between expected and actual experience	125,269	(983,077)	(59,278)	647,915	40,267
Changes of assumptions	110,649	(821)	139,212	198,982	47,361
Benefit payments	(199,405)	39,673	13,232	17,311	(97,699)
Net change in Total OPEB liability	197,397	(750,714)	223,411	1,015,154	243,593
Total OPEB liability - beginning	2,055,465	2,252,862	1,502,148	1,725,559	2,740,713
Total OPEB liability - ending	2,252,862	1,502,148	1,725,559	2,740,713	2,984,306
B. Covered payroll	$ 36,850,050	$ 38,601,134	$ 40,634,112	$ 43,627,217	$ 45,634,783
C. Total OPEB liability as a percentage of covered payroll	6.11%	3.89%	4.25%	6.28%	6.54%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- Included in the changes of assumptions was a decrease to the discount rate from 2.00% to 1.84%, as well as, changes to the demographic assumptions based on the 2020 TMRS Experience Study.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

Town of Flower Mound, Texas
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 6,557,560	$ 6,557,560	$ 6,518,701	$ -	$ 6,518,701	$(38,859)
Investment earnings	5,000	5,000	16,481	-	16,481	11,481
Total Revenue	6,562,560	6,562,560	6,535,182	-	6,535,182	(27,378)
EXPENDITURES						
Debt service						
Principal	5,635,000	5,635,000	5,635,000	-	5,635,000	-
Interest and fiscal charges	2,092,295	2,092,295	2,086,889	-	2,086,889	5,406
Total Expenditures	7,727,295	7,727,295	7,721,889	-	7,721,889	5,406
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,164,735)	(1,164,735)	(1,186,707)	-	(1,186,707)	(21,972)
OTHER FINANCING SOURCES						
Transfers in	273,250	273,250	273,250	-	273,250	-
Total Other Financing Sources	273,250	273,250	273,250	-	273,250	-
EXCESS OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(891,485)	(891,485)	(913,457)	-	(913,457)	(21,972)
FUND BALANCE, BEGINNING OF YEAR	2,330,420	2,330,420	2,330,420	-	2,330,420	-
FUND BALANCE, END OF YEAR	$ 1,438,935	$ 1,438,935	$ 1,416,963	$ -	$ 1,416,963	$(21,972)

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
General Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP	Adjustments Budget	Actual Budget	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUES						
Impact fees	$ -	$ -	$ 1,381,721	$ -	$ 1,381,721	$ 1,381,721
Investment earnings	-	-	176,971	-	176,971	176,971
Intergovernmental	-	-	59,481	-	59,481	59,481
Other revenue	-	-	294,070	-	294,070	294,070
Total revenues	-	-	1,912,243	-	1,912,243	1,912,243
EXPENDITURES						
Current -						
Capital projects	8,639,627	12,944,649	4,215,816	(2,803,615)	1,412,201	11,532,448
Total Expenditures	8,639,627	12,944,649	4,215,816	(2,803,615)	1,412,201	11,532,448
Excess (deficiency) of revenues over (under) expenditures	(8,639,627)	(12,944,649)	(2,303,573)	2,803,615	500,042	13,444,691
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	1,155,000	-	1,155,000	1,155,000
Total other financing sources and uses	-	-	1,155,000	-	1,155,000	1,155,000
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(8,639,627)	(12,944,649)	(1,148,573)	2,803,615	1,655,042	14,599,691
FUND BALANCE, BEGINNING OF YEAR	24,277,804	24,277,804	24,277,804	-	24,277,804	-
FUND BALANCE, END OF YEAR	$ 15,638,177	$ 11,333,155	$ 23,129,231	$ 2,803,615	$ 25,932,846	$ 14,599,691

Town of Flower Mound, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2022

	Special Revenue										
	Library Development	TIRZ	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin	Police Seizure
ASSETS											
Cash and cash equivalents	$ 28,526	$ 8,381,413	$ 2,633,666	$ 896,232	$ 306,116	$ 5,338,820	$ 2,922,723	$ 1,201,602	$ 500,254	$ 10,931	$ 22,997
Investments	15,244	10,980,614	3,437,163	1,155,013	393,557	6,661,568	3,899,892	1,317,508	536,209	18,572	14,302
Sales tax receivable	-	-	-	-	-	807,173	807,173	802,672	800,586	-	-
Accounts receivable	-	-	2,366	-	-	1,028	-	-	-	-	-
Franchise fees receivable	-	-	-	-	33,423	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Interfund	-	-	-	-	-	182,727	-	-	-	-	-
Total Assets	$ 43,770	$ 19,362,027	$ 6,073,195	$ 2,051,245	$ 733,096	$ 12,991,316	$ 7,629,788	$ 3,321,782	$ 1,837,049	$ 29,503	$ 37,299
LIABILITIES AND FUND BALANCE											
Liabilities:											
Accounts payable	$ -	$ 223,590	$ 281,732	$ 948	$ 1,865	$ 2,491	$ 100,682	$ 3,106	$ -	$ -	$ 16,109
Retainage payable	-	114,165	124,887	-	-	205,686	132,605	-	-	-	-
Salaries payable	-	-	-	763	-	-	-	35,162	35,877	-	-
Interfund	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	11,353	-
Total Liabilities	-	337,755	406,619	1,711	1,865	208,177	233,287	38,268	35,877	11,353	16,109
Fund Balance:											
Restricted for:											
Community services	-	-	-	-	731,231	-	-	-	-	18,150	-
Community development	-	19,024,272	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	3,283,514	1,801,172	-	21,190
Streets	-	-	-	-	-	12,783,139	-	-	-	-	-
Parks	-	-	-	-	-	-	7,396,501	-	-	-	-
Committed for:											
Community services	43,770	-	-	2,049,534	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Parks	-	-	5,666,576	-	-	-	-	-	-	-	-
Total Fund Balance	43,770	19,024,272	5,666,576	2,049,534	731,231	12,783,139	7,396,501	3,283,514	1,801,172	18,150	21,190
Total Liabilities and Fund Balance	$ 43,770	$ 19,362,027	$ 6,073,195	$ 2,051,245	$ 733,096	$ 12,991,316	$ 7,629,788	$ 3,321,782	$ 1,837,049	$ 29,503	$ 37,299

	Special Revenue														
	IRS Equitable Sharing	Justice Seizures	Chapter 59 Seizures	Animal Care	SAFER Grant	CDBG-HUD Grant	Grants	Neighborhood Improvement	COVID-19	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Municipal Court Jury	Municipal Court Truancy	Nonmajor Governmental Funds
	$ 13,879	$ 20,125	$ 105,108	$ 41,421	$ -	$ -	$ -	$ 58,908	$ 1,597,902	$ 148,510	$ 69,782	$ 49,761	$ 132	$ 38,307	$ 24,387,115
	51,058	14,084	-	50,807	-	-	-	72,738	2,305,206	54,968	49,282	40,185	-	2,824	31,070,794
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,217,604
	-	-	-	-	-	-	-	6,910	-	34,744	-	-	-	-	45,048
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,423
	-	-	-	-	170,150	28,882	17,577	-	-	-	-	-	-	-	216,609
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	182,727
	$ 64,937	$ 34,209	$ 105,108	$ 92,228	$ 170,150	$ 28,882	$ 17,577	$ 138,556	$ 3,903,108	$ 238,222	$ 119,064	$ 89,946	$ 132	$ 41,131	$ 59,153,320
	$ 1,271	$ -	$ 1,465	$ -	$ -	$ 28,882	$ -	$ -	$ 139,712	$ 27,393	$ 263	$ 118	$ -	$ -	$ 829,627
	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	582,343
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71,802
	-	-	-	-	170,150	-	12,577	-	-	-	-	-	-	-	182,727
	-	-	-	-	-	-	-	-	3,740,380	-	-	-	-	-	3,751,733
	1,271	-	1,465	-	170,150	28,882	17,577	-	3,880,092	27,393	263	118	-	-	5,418,232
	-	-	-	-	-	-	-	-	-	210,829	-	-	-	-	960,210
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,024,272
	63,666	34,209	103,643	-	-	-	-	-	-	-	118,801	89,828	132	41,131	5,557,286
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,783,139
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,396,501
	-	-	-	-	-	-	-	138,556	-	-	-	-	-	-	2,231,860
	-	-	-	92,228	-	-	-	-	23,016	-	-	-	-	-	115,244
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,666,576
	63,666	34,209	103,643	92,228	-	-	-	138,556	23,016	210,829	118,801	89,828	132	41,131	53,735,088
	$ 64,937	$ 34,209	$ 105,108	$ 92,228	$ 170,150	$ 28,882	$ 17,577	$ 138,556	$ 3,903,108	$ 238,222	$ 119,064	$ 89,946	$ 132	$ 41,131	$ 59,153,320

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2022

	Special Revenue										
	Library Development	TIRZ	Park Development	Tree Preservation	PEG	Street Maintenance	Parks 4B	Crime District	Fire District	Flower Mound Log Cabin	Police Seizure
REVENUES											
Ad valorem taxes	$ -	$ 7,023,502	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Franchise fees	-	-	-	-	141,963	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	233,101	-
Sales tax	-	-	-	-	-	4,376,097	4,376,097	4,341,850	4,329,572	-	-
Hotel occupancy tax	-	-	-	-	-	-	-	-	-	-	-
Licenses, permits and fees	-	-	1,153,315	475,382	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	3,197
Investment earnings	254	135,231	39,733	13,430	4,375	75,339	45,583	14,559	5,176	265	249
Memorials and contributions	4,056	-	1,608	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	4,310	7,158,733	1,194,656	488,812	146,338	4,451,436	4,421,680	4,356,409	4,334,748	233,366	3,446
EXPENDITURES											
Current											
Parks & recreation services	-	-	1,354,882	138,465	-	-	3,914,405	-	-	233,101	-
Library services	-	-	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	3,227,394	-	-	-
Financial services	-	-	-	-	-	-	-	-	-	-	-
Fire and emergency services	-	-	-	-	-	-	-	-	3,293,378	-	-
Communications	-	-	-	-	26,752	-	-	-	-	-	-
Public works	-	3,118,058	-	-	-	1,991,171	-	-	-	-	-
Debt Service	-	2,645,175	-	-	-	-	-	-	-	-	-
Total Expenditures	-	5,763,233	1,354,882	138,465	26,752	1,991,171	3,914,405	3,227,394	3,293,378	233,101	-
Excess (deficiency) of revenues over (under) expenditures	4,310	1,395,500	(160,226)	350,347	119,586	2,460,265	507,275	1,129,015	1,041,370	265	3,446
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(548,250)	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	(548,250)	-	-	-	-
Net change in fund balances	4,310	1,395,500	(160,226)	350,347	119,586	2,460,265	(40,975)	1,129,015	1,041,370	265	3,446
Fund balances - beginning	39,460	17,628,772	5,826,802	1,699,187	611,645	10,322,874	7,437,476	2,154,499	759,802	17,885	17,744
Fund balances - ending	$ 43,770	$ 19,024,272	$ 5,666,576	$ 2,049,534	$ 731,231	$ 12,783,139	$ 7,396,501	$ 3,283,514	$ 1,801,172	$ 18,150	$ 21,190

	Special Revenue														
IRS Equitable Sharing	Justice Seizures	Chapter 59 Seizures	Animal Care	SAFER Grant	CDBG-HUD Grant	Grants	Neighborhood Improvement	COVID-19	Hotel Occupancy Tax	Municipal Court Security	Municipal Court Technology	Municipal Court Jury	Municipal Court Truancy	Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,023,502
-	-	-	-	-	-	-	-	-	-	-	-	-	-	141,963
-	-	-	-	835,440	247,597	133,152	-	2,186,840	-	-	-	-	-	3,636,130
-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,423,616
-	-	-	-	-	-	-	-	-	419,080	-	-	-	-	419,080
-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,628,697
-	-	-	-	-	-	-	70,665	-	-	-	-	-	-	70,665
-	34,029	36,495	-	-	-	-	-	-	-	34,225	28,330	684	34,151	171,111
768	180	-	589	-	-	-	1,104	22,848	1,336	779	627	-	209	362,634
-	-	-	12,220	-	-	-	-	-	-	-	-	-	-	17,884
-	-	11,746	-	-	38,213	-	-	-	-	-	-	-	-	49,959
768	34,209	48,241	12,809	835,440	285,810	133,152	71,769	2,209,688	420,416	35,004	28,957	684	34,360	30,945,241
-	-	-	-	-	285,810	58,555	-	-	370,821	-	-	-	-	6,356,039
-	-	-	-	-	-	6,641	-	-	-	-	-	-	-	6,641
107,670	-	14,994	6,794	-	-	27,411	-	27,145	-	-	-	-	-	3,411,408
-	-	-	-	-	-	-	-	-	-	32,326	25,243	1,200	25,764	84,533
-	-	-	-	1,583,618	-	-	-	1,562,389	-	-	-	-	-	6,439,385
-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,752
-	-	-	-	-	-	54,250	145,954	322,306	-	-	-	-	-	5,631,739
-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,645,175
107,670	-	14,994	6,794	1,583,618	285,810	146,857	145,954	1,911,840	370,821	32,326	25,243	1,200	25,764	24,601,672
(106,902)	34,209	33,247	6,015	(748,178)	-	(13,705)	(74,185)	297,848	49,595	2,678	3,714	(516)	8,596	6,343,569
-	-	-	-	748,178	-	13,705	-	-	-	-	-	-	-	761,883
-	-	-	-	-	-	-	-	(275,000)	-	-	-	-	-	(823,250)
-	-	-	-	748,178	-	13,705	-	(275,000)	-	-	-	-	-	(61,367)
(106,902)	34,209	33,247	6,015	-	-	-	(74,185)	22,848	49,595	2,678	3,714	(516)	8,596	6,282,202
170,568	-	70,396	86,213	-	-	-	212,741	168	161,234	116,123	86,114	648	32,535	47,452,886
$ 63,666	$ 34,209	$ 103,643	$ 92,228	$ -	$ -	$ -	$ 138,556	$ 23,016	$ 210,829	$ 118,801	$ 89,828	$ 132	$ 41,131	$ 53,735,088

Town of Flower Mound, Texas
Library Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Memorials and contributions	$ 12,000	$ 12,000	$ 4,056	$ -	$ 4,056	$(7,944)
Investment earnings	100	100	254	-	254	154
Total Revenue	12,100	12,100	4,310	-	4,310	(7,790)
EXPENDITURES						
Library services	10,000	37,000	-	36,376	36,376	624
Total Expenditures	10,000	37,000	-	36,376	36,376	624
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,100	(24,900)	4,310	(36,376)	(32,066)	(7,166)
FUND BALANCE, BEGINNING OF YEAR	39,460	39,460	39,460	-	39,460	-
FUND BALANCE, END OF YEAR	$ 41,560	$ 14,560	$ 43,770	$(36,376)	$ 7,394	$(7,166)

Town of Flower Mound, Texas
TIRZ Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 7,093,702	$ 7,093,702	$ 7,023,502	$ -	$ 7,023,502	$(70,200)
Investment earnings	25,000	25,000	135,231	-	135,231	110,231
Total Revenue	7,118,702	7,118,702	7,158,733	-	7,158,733	40,031
EXPENDITURES						
Public works	7,757,744	19,270,816	3,118,058	4,087,205	7,205,263	12,065,553
Debt service						
Principal	2,275,000	2,275,000	2,275,000	-	2,275,000	-
Interest and fiscal charges	370,175	370,175	370,175	-	370,175	-
Total Expenditures	10,402,919	21,915,991	5,763,233	4,087,205	9,850,438	12,065,553
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,284,217)	(14,797,289)	1,395,500	(4,087,205)	(2,691,705)	12,105,584
FUND BALANCE, BEGINNING OF YEAR	17,628,772	17,628,772	17,628,772	-	17,628,772	-
FUND BALANCE, END OF YEAR	$ 14,344,555	$ 2,831,483	$ 19,024,272	$(4,087,205)	$ 14,937,067	$ 12,105,584

Town of Flower Mound, Texas
Park Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Licenses, permits and fees	$ -	$ -	$ 1,153,315	$ -	1,153,315	1,153,315
Investment earnings	20,000	20,000	39,733	-	39,733	19,733
Memorials and contributions	-	-	1,608	-	1,608	1,608
Total Revenue	20,000	20,000	1,194,656	-	1,194,656	1,174,656
EXPENDITURES						
Parks & recreation services	1,061,693	3,788,365	1,354,882	(1,119,278)	235,604	3,552,761
Total Expenditures	1,061,693	3,788,365	1,354,882	(1,119,278)	235,604	3,552,761
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,041,693)	(3,768,365)	(160,226)	1,119,278	959,052	4,727,417
FUND BALANCE, BEGINNING OF YEAR	5,826,802	5,826,802	5,826,802	-	5,826,802	-
FUND BALANCE, END OF YEAR	$ 4,785,109	$ 2,058,437	$ 5,666,576	$ 1,119,278	$ 6,785,854	$ 4,727,417

Town of Flower Mound, Texas
Tree Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Licenses, permits and fees	$ -	$ -	$ 475,382	$ -	$ 475,382	$ 475,382
Investment earnings	4,000	4,000	13,430	-	13,430	9,430
Total Revenue	4,000	4,000	488,812	-	488,812	484,812
EXPENDITURES						
Parks & recreation services	189,930	193,430	138,465	4,765	143,230	50,200
Total Expenditures	189,930	193,430	138,465	4,765	143,230	50,200
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(185,930)	(189,430)	350,347	(4,765)	345,582	535,012
FUND BALANCE, BEGINNING OF YEAR	1,699,187	1,699,187	1,699,187	-	1,699,187	-
FUND BALANCE, END OF YEAR	$ 1,513,257	$ 1,509,757	$ 2,049,534	$(4,765)	$ 2,044,769	$ 535,012

Town of Flower Mound, Texas
PEG Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Franchise fees	$ 165,000	$ 165,000	$ 141,963	$ -	$ 141,963	$(23,037)
Investment earnings	1,500	1,500	4,375	-	4,375	2,875
Total Revenue	166,500	166,500	146,338	-	146,338	(20,162)
EXPENDITURES						
Communications	769,868	769,868	26,752	-	26,752	743,116
Total Expenditures	769,868	769,868	26,752	-	26,752	743,116
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(603,368)	(603,368)	119,586	-	119,586	722,954
FUND BALANCE, BEGINNING OF YEAR	611,645	611,645	611,645	-	611,645	-
FUND BALANCE, END OF YEAR	$ 8,277	$ 8,277	$ 731,231	$ -	$ 731,231	$ 722,954

Town of Flower Mound, Texas
Dedicated Sales Tax - Street Maintenance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,666,800	$ 3,666,800	$ 4,376,097	$ -	$ 4,376,097	$ 709,297
Investment earnings	20,000	20,000	75,339	-	75,339	55,339
Total Revenue	3,686,800	3,686,800	4,451,436	-	4,451,436	764,636
EXPENDITURES						
Public works	5,043,512	13,509,573	1,991,171	33,581	2,024,752	11,484,821
Total Expenditures	5,043,512	13,509,573	1,991,171	33,581	2,024,752	11,484,821
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,356,712)	(9,822,773)	2,460,265	(33,581)	2,426,684	12,249,457
FUND BALANCE, BEGINNING OF YEAR	10,322,874	10,322,874	10,322,874	-	10,322,874	-
FUND BALANCE, END OF YEAR	$ 8,966,162	$ 500,101	$ 12,783,139	$(33,581)	$ 12,749,558	$ 12,249,457

Town of Flower Mound, Texas
Dedicated Sales Tax - Parks 4B Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,666,800	$ 3,666,800	$ 4,376,097	$ -	$ 4,376,097	$ 709,297
Investment earnings	15,000	15,000	45,583	-	45,583	30,583
Total Revenue	3,681,800	3,681,800	4,421,680	-	4,421,680	739,880
EXPENDITURES						
Parks & recreation services	4,155,574	7,997,249	3,914,405	(223,052)	3,691,353	4,305,896
Total Expenditures	4,155,574	7,997,249	3,914,405	(223,052)	3,691,353	4,305,896
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(473,774)	(4,315,449)	507,275	223,052	730,327	5,045,776
OTHER FINANCING SOURCES (USES)						
Transfer out	(548,250)	(548,250)	(548,250)	-	(548,250)	-
Total Other Financing Sources (Uses)	(548,250)	(548,250)	(548,250)	-	(548,250)	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,022,024)	(4,863,699)	(40,975)	223,052	182,077	5,045,776
FUND BALANCE, BEGINNING OF YEAR	7,437,476	7,437,476	7,437,476	-	7,437,476	-
FUND BALANCE, END OF YEAR	$ 6,415,452	$ 2,573,777	$ 7,396,501	$ 223,052	$ 7,619,553	$ 5,045,776

Town of Flower Mound, Texas
Dedicated Sales Tax - Crime District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,647,360	$ 3,647,360	$ 4,341,850	$ -	$ 4,341,850	$ 694,490
Investment earnings	3,000	3,000	14,559	-	14,559	11,559
Other revenue	-	-	-	-	-	-
Total Revenue	3,650,360	3,650,360	4,356,409	-	4,356,409	706,049
EXPENDITURES						
Police services	3,327,932	3,342,838	3,227,394	21,022	3,248,416	94,422
Total Expenditures	3,327,932	3,342,838	3,227,394	21,022	3,248,416	94,422
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	322,428	307,522	1,129,015	(21,022)	1,107,993	800,471
FUND BALANCE, BEGINNING OF YEAR	2,154,499	2,154,499	2,154,499	-	2,154,499	-
FUND BALANCE, END OF YEAR	$ 2,476,927	$ 2,462,021	$ 3,283,514	$(21,022)	$ 3,262,492	$ 800,471

Town of Flower Mound, Texas
Dedicated Sales Tax - Fire District Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Taxes	$ 3,629,030	$ 3,629,030	$ 4,329,572	$ -	$ 4,329,572	$ 700,542
Investment earnings	100	100	5,176	-	5,176	5,076
Total Revenue	3,629,130	3,629,130	4,334,748	-	4,334,748	705,618
EXPENDITURES						
Fire and emergency services	3,306,330	3,306,330	3,293,378	-	3,293,378	12,952
Total Expenditures	3,306,330	3,306,330	3,293,378	-	3,293,378	12,952
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	322,800	322,800	1,041,370	-	1,041,370	718,570
FUND BALANCE, BEGINNING OF YEAR	759,802	759,802	759,802	-	759,802	-
FUND BALANCE, END OF YEAR	$ 1,082,602	$ 1,082,602	$ 1,801,172	$ -	$ 1,801,172	$ 718,570

Town of Flower Mound, Texas
Flower Mound Log Cabin Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 2,000	$ 2,000	$ 265	$ -	$ 265	$(1,735)
Intergovernmental	-	-	233,101	-	233,101	233,101
Total Revenue	2,000	2,000	233,366	-	233,366	231,366
EXPENDITURES						
Parks & recreation services	-	19,244	233,101	(225,210)	7,891	11,353
Total Expenditures	-	19,244	233,101	(225,210)	7,891	11,353
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	2,000	(17,244)	265	225,210	225,475	242,719
FUND BALANCE, BEGINNING OF YEAR	17,885	17,885	17,885	-	17,885	-
FUND BALANCE, END OF YEAR	$ 19,885	$ 641	$ 18,150	$ 225,210	$ 243,360	$ 242,719

Town of Flower Mound, Texas
Police Seizure Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 60	$ 60	$ 249	$ -	$ 249	$ 189
Fines and forfeitures	-	-	3,197	-	3,197	3,197
Total Revenue	60	60	3,446	-	3,446	3,386
EXPENDITURES						
Police services	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	60	60	3,446	-	3,446	3,386
FUND BALANCE, BEGINNING OF YEAR	17,744	17,744	17,744	-	17,744	-
FUND BALANCE, END OF YEAR	$ 17,804	$ 17,804	$ 21,190	$ -	$ 21,190	$ 3,386

Town of Flower Mound, Texas
IRS Equitable Sharing Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 500	$ 500	$ 768	$ -	$ 768	$ 268
Total Revenue	500	500	768	-	768	268
EXPENDITURES						
Police services	70,134	161,041	107,670	53,364	161,034	7
Total Expenditures	70,134	161,041	107,670	53,364	161,034	7
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(69,634)	(160,541)	(106,902)	(53,364)	(160,266)	275
FUND BALANCE, BEGINNING OF YEAR	170,568	170,568	170,568	-	170,568	-
FUND BALANCE, END OF YEAR	$ 100,934	$ 10,027	$ 63,666	$(53,364)	$ 10,302	$ 275

Town of Flower Mound, Texas
Justice Seizures Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ -	$ 34,029	$ -	$ 34,029	$ 34,029
Investment earnings	-	-	180	-	180	180
Total Revenue	-	-	34,209	-	34,209	34,209
EXPENDITURES						
Police services	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	34,209	-	34,209	34,209
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 34,209	$ -	$ 34,209	$ 34,209

Town of Flower Mound, Texas
Chapter 59 Seizures Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ -	$ -	$ 36,495	$ -	$ 36,495	$ 36,495
Other revenue			11,746	-	11,746	11,746
Total Revenue	-	-	48,241	-	48,241	48,241
EXPENDITURES						
Police services	55,000	55,000	14,994	-	14,994	40,006
Total Expenditures	55,000	55,000	14,994	-	14,994	40,006
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(55,000)	(55,000)	33,247	-	33,247	88,247
FUND BALANCE, BEGINNING OF YEAR	70,396	70,396	70,396	-	70,396	-
FUND BALANCE, END OF YEAR	$ 15,396	$ 15,396	$ 103,643	$ -	$ 103,643	$ 88,247

Town of Flower Mound, Texas
Animal Care Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Investment earnings	$ 150	$ 150	$ 589	$ -	$ 589	$ 439
Memorials and contributions	7,000	7,000	12,220	-	12,220	5,220
Total Revenue	7,150	7,150	12,809	-	12,809	5,659
EXPENDITURES						
Police services	29,500	29,500	6,794	-	6,794	22,706
Total Expenditures	29,500	29,500	6,794	-	6,794	22,706
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(22,350)	(22,350)	6,015	-	6,015	28,365
FUND BALANCE, BEGINNING OF YEAR	86,213	86,213	86,213	-	86,213	-
FUND BALANCE, END OF YEAR	$ 63,863	$ 63,863	$ 92,228	$ -	$ 92,228	$ 28,365

Town of Flower Mound, Texas
SAFER Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental	$ -	$ -	$ 835,440	$ -	$ 835,440	$ 835,440
Total Revenue	-	-	835,440	-	835,440	835,440
EXPENDITURES						
Fire and emergency services	-	1,603,460	1,583,618	-	1,583,618	19,842
Total Expenditures	-	1,603,460	1,583,618	-	1,583,618	19,842
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(1,603,460)	(748,178)	-	(748,178)	855,282
OTHER FINANCING SOURCES (USES)						
Transfer In	-	748,178	748,178	-	748,178	-
Total Other Financing Sources (Uses)	-	748,178	748,178	-	748,178	-
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(855,282)	-	-	-	855,282
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$(855,282)	$ -	$ -	$ -	$ 855,282

Town of Flower Mound, Texas
CDBG-HUD Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental	$ 231,363	$ 231,363	$ 247,597	$ -	$ 247,597	$ 16,234
Other Revenue	-	-	38,213	-	38,213	38,213
Total Revenue	231,363	231,363	285,810	-	285,810	54,447
EXPENDITURES						
Parks & recreation services	231,363	592,336	285,810	8,954	294,764	297,572
Total Expenditures	231,363	592,336	285,810	8,954	294,764	297,572
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(360,973)	-	(8,954)	(8,954)	352,019
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$(360,973)	$ -	$(8,954)	$(8,954)	$ 352,019

Town of Flower Mound, Texas
Grants Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental revenue	$ -	$ 12,935	$ 133,152	$ -	$ 133,152	$ 120,217
Total Revenue	-	12,935	133,152	-	133,152	120,217
EXPENDITURES						
Parks & recreation services	-	2,174,125	58,555	-	58,555	2,115,570
Police services	-	28,127	27,411	-	27,411	716
Library services	-	9,141	6,641	-	6,641	2,500
Public Works	-	54,250	54,250	-	54,250	-
Total Expenditures	-	2,265,643	146,857	-	146,857	2,118,786
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(2,252,708)	(13,705)	-	(13,705)	2,239,003
OTHER FINANCING SOURCES (USES)						
Transfer in	-	12,935	13,705	-	13,705	770
Total Other Financing Sources (Uses)	-	12,935	13,705	-	13,705	770
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	(2,239,773)	-	-	-	2,239,773
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$(2,239,773)	$ -	$ -	$ -	$ 2,239,773

Town of Flower Mound, Texas
Neighborhood Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Charges for services	$ 90,200	$ 90,200	$ 70,665	$ -	$ 70,665	$(19,535)
Investment earnings	400	400	1,104	-	1,104	704
Total Revenue	90,600	90,600	71,769	-	71,769	(18,831)
EXPENDITURES						
Public works	130,000	130,000	145,954	(28,999)	116,955	13,045
Total Expenditures	130,000	130,000	145,954	(28,999)	116,955	13,045
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(39,400)	(39,400)	(74,185)	28,999	(45,186)	(5,786)
FUND BALANCE, BEGINNING OF YEAR	212,741	212,741	212,741	-	212,741	-
FUND BALANCE, END OF YEAR	$ 173,341	$ 173,341	$ 138,556	$ 28,999	$ 167,555	$(5,786)

Town of Flower Mound, Texas
COVID-19 Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Intergovernmental revenue	$ 5,927,220	$ 5,927,220	$ 2,186,840	$ -	$ 2,186,840	$(3,740,380)
Investment earnings	-	-	22,848	-	22,848	22,848
Total Revenue	5,927,220	5,927,220	2,209,688	-	2,209,688	(3,717,532)
EXPENDITURES						
Police services	27,145	27,145	27,145	-	27,145	-
Fire and emergency services	2,451,690	2,176,690	1,562,389	123,657	1,686,046	490,644
Public Works	3,448,385	3,448,385	322,306	363,807	686,113	2,762,272
Total Expenditures	5,927,220	5,652,220	1,911,840	487,464	2,399,304	3,252,916
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	275,000	297,848	(487,464)	(189,616)	(464,616)
OTHER FINANCING SOURCES (USES)						
Transfer out	-	(275,000)	(275,000)	-	(275,000)	-
Total Other Financing Sources (Uses)	-	(275,000)	(275,000)	-	(275,000)	-
EXCESS (DEFICIENCY) OF REVENUE EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	-	22,848	(487,464)	(464,616)	(464,616)
FUND BALANCE, BEGINNING OF YEAR	168	168	168	-	168	-
FUND BALANCE, END OF YEAR	$ 168	$ 168	$ 23,016	$(487,464)	$(464,448)	$(464,616)

Town of Flower Mound, Texas
Hotel Occupancy Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Hotel occupancy tax	$ 370,000	$ 420,215	$ 419,080	$ -	$ 419,080	$(1,135)
Investment earnings	200	200	1,336	-	1,336	1,136
Total Revenue	370,200	420,415	420,416	-	420,416	1
EXPENDITURES						
Parks & recreation services	340,000	370,825	370,821	-	370,821	4
Total Expenditures	340,000	370,825	370,821	-	370,821	4
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	30,200	49,590	49,595	-	49,595	5
FUND BALANCE, BEGINNING OF YEAR	161,234	161,234	161,234	-	161,234	-
FUND BALANCE, END OF YEAR	$ 191,434	$ 210,824	$ 210,829	$ -	$ 210,829	$ 5

Town of Flower Mound, Texas
Municipal Court Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 32,025	$ 32,025	$ 34,225	$ -	$ 34,225	$ 2,200
Investment earnings	200	200	779	-	779	579
Total Revenue	32,225	32,225	35,004	-	35,004	2,779
EXPENDITURES						
Financial services	43,600	43,600	32,326	-	32,326	11,274
Total Expenditures	43,600	43,600	32,326	-	32,326	11,274
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(11,375)	(11,375)	2,678	-	2,678	14,053
FUND BALANCE, BEGINNING OF YEAR	116,123	116,123	116,123	-	116,123	-
FUND BALANCE, END OF YEAR	$ 104,748	$ 104,748	$ 118,801	$ -	$ 118,801	$ 14,053

Town of Flower Mound, Texas
Municipal Court Technology Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 26,500	$ 26,500	$ 28,330	$ -	$ 28,330	$ 1,830
Investment earnings	200	200	627	-	627	427
Total Revenue	26,700	26,700	28,957	-	28,957	2,257
EXPENDITURES						
Financial services	35,465	35,465	25,243	-	25,243	10,222
Total Expenditures	35,465	35,465	25,243	-	25,243	10,222
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(8,765)	(8,765)	3,714	-	3,714	12,479
FUND BALANCE, BEGINNING OF YEAR	86,114	86,114	86,114	-	86,114	-
FUND BALANCE, END OF YEAR	$ 77,349	$ 77,349	$ 89,828	$ -	$ 89,828	$ 12,479

Town of Flower Mound, Texas
Municipal Court Jury Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 640	$ 640	$ 684	$ -	$ 684	$ 44
Total Revenue	640	640	684	-	684	44
EXPENDITURES						
Financial services	1,200	1,200	1,200	-	1,200	-
Total Expenditures	1,200	1,200	1,200	-	1,200	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(560)	(560)	(516)	-	(516)	44
FUND BALANCE, BEGINNING OF YEAR	648	648	648	-	648	-
FUND BALANCE, END OF YEAR	$ 88	$ 88	$ 132	$ -	$ 132	$ 44

Town of Flower Mound, Texas
Municipal Court Truancy Prevention Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual GAAP Amounts	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget - Positive (Negative)
	Original	Final				
REVENUE						
Fines and forfeitures	$ 31,900	$ 31,900	$ 34,151	$ -	$ 34,151	$ 2,251
Investment earnings	-	-	209	-	209	209
Total Revenue	31,900	31,900	34,360	-	34,360	2,460
EXPENDITURES						
Financial services	30,000	30,000	25,764	-	25,764	4,236
Total Expenditures	30,000	30,000	25,764	-	25,764	4,236
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,900	1,900	8,596	-	8,596	6,696
FUND BALANCE, BEGINNING OF YEAR	32,535	32,535	32,535	-	32,535	-
FUND BALANCE, END OF YEAR	$ 34,435	$ 34,435	$ 41,131	$ -	$ 41,131	$ 6,696

Town of Flower Mound, Texas
Combining Statement of Net Position
All Internal Service Funds
September 30, 2022

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,629,199	$ 5,768,154	$ 7,397,353
Investments	2,157,444	8,011,814	10,169,258
Receivables (net of allowances for estimated uncollectibles):			
Accounts	-		-
Total current assets	3,786,643	13,779,968	17,566,611
Total Assets	3,786,643	13,779,968	17,566,611
LIABILITIES			
Current liabilities:			
Accounts payable	27,090	2,092	29,182
Estimated health claims	1,280,490	-	1,280,490
Total current liabilities	1,307,580	2,092	1,309,672
Total Liabilities	1,307,580	2,092	1,309,672
NET POSITION			
Unrestricted	2,479,063	13,777,876	16,256,939
Total net position	$ 2,479,063	$ 13,777,876	$ 16,256,939

Town of Flower Mound, Texas
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
All Internal Service Funds
For the Year Ended September 30, 2022

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
Operating revenues:			
Charges for services	$ 10,808,593	$ 2,860,893	$ 13,669,486
Other	-	307,150	307,150
Total operating revenue	10,808,593	3,168,043	13,976,636
Operating expenses:			
Maintenance and operations	-	1,560,301	1,560,301
Health insurance and flexible benefits	11,851,176	-	11,851,176
Total operating expenses	11,851,176	1,560,301	13,411,477
Operating income	(1,042,583)	1,607,742	565,159
Nonoperating revenues (expenses):			
Interest income	24,428	88,126	112,554
Total nonoperating revenue (expenses)	24,428	88,126	112,554
Income before contributions and transfers	(1,018,155)	1,695,868	677,713
Transfers in	275,000	-	275,000
Change in net position	(743,155)	1,695,868	952,713
Total net position - beginning	3,222,218	12,082,008	15,304,226
Total net position - ending	$ 2,479,063	$ 13,777,876	$ 16,256,939

Town of Flower Mound, Texas
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended September 30, 2022

	Health Insurance & Flexible Benefit Fund	Vehicle, Equipment & Technology Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from transactions with other funds	$ 11,164,196	$ 3,168,043	$ 14,332,239
Cash paid for goods and services	(5,754,709)	(1,617,102)	(7,371,811)
Cash paid for claims	(6,146,352)	-	(6,146,352)
Net cash provided (used) by operating activities	(736,865)	1,550,941	814,076
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	275,000	-	275,000
Net cash provided (used) by capital and related financing activities	275,000	-	275,000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturities of investment securities	270,407	(3,385,857)	(3,115,450)
Purchase of investment securities	(714,243)	(28,377)	(742,620)
Interest received	24,428	88,126	112,554
Net cash provided (used) by investing activities	(419,408)	(3,326,108)	(3,745,516)
Net increase in cash and cash equivalents	(881,273)	(1,775,167)	(2,656,440)
Cash and cash equivalents, October 1	2,510,472	7,543,321	10,053,793
Cash and cash equivalents, September 30	$ 1,629,199	$ 5,768,154	$ 7,397,353
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	$ (1,042,583)	$ 1,607,742	$ 565,159
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Change in assets and liabilities			
Decrease (Increase) in trade receivables	355,603	-	355,603
Increase (Decrease) in accounts payable and accrued liabilities	(49,885)	(56,801)	(106,686)
Total adjustments	305,718	(56,801)	248,917
Net cash provided (used) by operating activities	$ (736,865)	$ 1,550,941	$ 814,076

THE TOWN OF
FLOWER MOUND
TEXAS

TOWN OF FLOWER MOUND, TEXAS
STATISTICAL SECTION

This part of the Town of Flower Mound's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

Financial Trends 122

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 130

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 136

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 141

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 142

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Town of Flower Mound, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Governmental Activities				
Net investment in capital assets	$ 174,861,739	$ 175,530,741	$ 188,789,944	$ 202,543,406
Restricted	20,180,671	23,945,799	25,308,366	27,217,009
Unrestricted	27,409,576	29,465,747	31,910,667	28,577,413
Total governmental activities net position	$ 222,451,986	$ 228,942,287	$ 246,008,977	$ 258,337,828
Business-type activities				
Net investment in capital assets	$ 106,498,263	$ 110,430,392	$ 118,357,125	$ 126,551,908
Restricted	1,223,917	1,226,993	1,227,110	-
Unrestricted	17,123,746	17,731,386	19,427,428	18,002,680
Total business-type activities net position	$ 124,845,926	$ 129,388,771	$ 139,011,663	$ 144,554,588
Primary government				
Net investment in capital assets	$ 281,360,002	$ 285,961,133	$ 307,147,069	$ 329,095,314
Restricted	21,404,588	25,172,792	26,535,476	27,217,009
Unrestricted	44,533,322	47,197,133	51,338,095	46,580,093
Total primary government net position	$ 347,297,912	$ 358,331,058	$ 385,020,640	$ 402,892,416

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 230,421,353	$ 271,744,498	$ 274,850,281	$ 284,502,370	$ 295,048,373	$ 308,572,131
36,676,874	40,469,469	42,179,244	45,967,635	53,616,906	58,614,169
16,371,786	8,344,796	30,563,245	32,776,066	39,178,699	49,884,164
$ 283,470,013	$ 320,558,763	$ 347,592,770	$ 363,246,071	$ 387,843,978	$ 417,070,464
$ 138,553,283	$ 145,749,885	$ 143,033,465	$ 146,438,852	$ 150,778,480	$ 152,840,348
-	-	21,457,609	24,814,356	27,003,287	28,893,868
16,986,793	21,282,106	11,607,987	11,992,793	10,911,823	17,846,772
$ 155,540,076	$ 167,031,991	$ 176,099,061	$ 183,246,001	$ 188,693,590	$ 199,580,988
$ 368,974,636	$ 417,494,383	$ 417,883,746	$ 430,941,222	$ 445,826,853	$ 461,412,479
36,676,874	40,469,469	63,636,853	70,781,991	80,620,193	87,508,037
33,358,579	29,626,902	42,171,232	44,768,859	50,090,522	67,730,936
$ 439,010,089	$ 487,590,754	$ 523,691,831	$ 546,492,072	$ 576,537,568	$ 616,651,452

Town of Flower Mound, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental activities:				
Town manager's office	$ 2,956,131	$ 2,648,162	$ 2,710,185	$ 2,794,319
Legislative services	449,368	368,095	420,248	452,165
Development services	1,468,228	2,123,293	2,127,945	2,190,178
Parks & recreation services	5,267,225	11,264,282	13,099,658	7,220,132
Library services	-	-	-	-
Police services	12,933,686	13,667,054	13,636,237	14,942,215
Financial services	3,018,407	3,507,742	3,410,121	3,619,248
Administrative services	4,294,715	4,310,194	5,401,704	5,490,036
Fire and emergency services	11,547,693	12,504,864	13,404,744	16,043,210
Communications	759,179	747,360	835,127	816,871
Public works	16,262,619	12,291,758	1,480,041	18,685,536
Environmental services	1,236,085	1,173,832	1,309,252	1,417,981
Interest on long-term debt	2,891,717	1,758,611	2,048,454	2,166,224
Total governmental activities expenses	63,085,053	66,365,247	59,883,716	75,838,115
Business-type activities:				
Utilities	33,724,163	35,419,015	37,704,865	41,019,967
Total business-type activities expenses	33,724,163	35,419,015	37,704,865	41,019,967
Total primary government expenses	$ 96,809,216	$ 101,784,262	$ 97,588,581	$ 116,858,082
Program Revenues				
Governmental activities:				
Charges for services:				
Town manager's office	$ -	$ 2,500	$ -	$ 99,045
Legislative services	16,772	16,365	13,917	16,314
Development services	1,412,470	1,687,584	2,047,297	2,041,912
Parks & recreation services	2,169,119	2,188,035	2,300,345	2,340,095
Library services	-	-	-	-
Police services	344,166	399,995	441,151	448,882
Financial services	1,139,421	1,079,118	939,602	829,306
Fire and emergency services	666,312	781,113	892,032	878,476
Public works	655,318	532,904	442,777	780,723
Environmental services	436,823	426,704	458,834	486,364
Operating grants and contributions	872,869	2,000,918	2,248,278	1,561,498
Capital grants and contributions	4,711,880	2,081,922	2,313,210	9,079,280
Total governmental activities program revenues	12,425,150	11,197,158	12,097,443	18,561,895
Business-type activities:				
Charges for services:				
Utilities	37,326,725	37,854,941	37,913,395	39,717,976
Capital grants and contributions	7,267,043	4,732,349	9,822,924	8,098,696
Total business-type activities program revenues	44,593,768	42,587,290	47,736,319	47,816,672
Total primary government program revenues	$ 57,018,918	$ 53,784,448	$ 59,833,762	$ 66,378,567
Net (expense)/revenue				
Governmental activities	$ (50,659,903)	$ (55,168,089)	$ (47,786,273)	$ (57,276,220)
Business-type activities	10,869,605	7,168,275	10,031,454	6,796,705
Total primary government net expense	$ (39,790,298)	$ (47,999,814)	$ (37,754,819)	$ (50,479,515)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	$ 32,193,718	$ 33,798,797	$ 36,055,874	$ 39,266,228
Sales tax	17,146,819	18,583,674	20,559,174	21,459,819
Occupancy tax	-	1,012	142	-
Franchise tax	5,021,948	6,005,446	6,351,221	5,810,150
Alcoholic beverage taxes	106,426	141,822	157,443	210,589
Investment earnings	175,524	85,606	87,924	277,366
Miscellaneous	1,404,910	1,807,192	1,516,422	698,314
Transfers	2,016,911	2,091,892	2,017,494	1,882,605
Total governmental activities	58,066,256	62,515,441	66,745,694	69,605,071
Business-type activities:				
Investment earnings	53,425	29,734	35,434	105,338
Miscellaneous	120,411	346,657	1,841,791	523,487
Transfers	(2,016,911)	(2,091,892)	(2,017,494)	(1,882,605)
Total business-type activities	(1,843,075)	(1,715,501)	(140,269)	(1,253,780)
Total primary government	$ 56,223,181	$ 60,799,940	$ 66,605,425	$ 68,351,291
Change in Net Position				
Governmental activities	$ 7,406,353	$ 7,347,352	$ 18,959,421	$ 12,328,851
Business-type activities	9,026,530	5,452,774	9,891,185	5,542,925
Total primary government	$ 16,432,883	$ 12,800,126	$ 28,850,606	$ 17,871,776

Note: Library Services was previously included with Community Services prior to fiscal year 2019.

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 2,931,578	$ 3,201,156	$ 3,273,180	$ 3,454,566	$ 4,298,875	$ 3,680,978
664,969	1,041,158	524,126	506,395	535,517	513,592
2,293,593	3,056,531	1,983,306	2,187,528	2,218,168	2,192,825
13,082,357	6,743,384	12,344,192	7,053,088	15,329,914	18,144,574
-	-	1,896,889	1,943,000	1,997,725	2,049,541
15,684,683	17,070,265	18,964,282	17,946,700	19,575,430	21,880,685
3,655,549	2,584,378	4,000,678	4,392,826	3,181,737	4,728,707
5,883,895	5,870,601	6,038,018	6,508,843	6,278,393	7,055,671
17,298,859	16,762,366	20,916,756	20,719,163	23,087,386	23,173,628
784,921	736,150	806,512	784,176	749,660	753,285
12,763,676	16,572,455	10,155,359	24,568,733	15,315,949	10,213,207
1,514,141	1,515,323	1,487,918	1,509,345	1,491,166	1,543,131
1,976,019	2,510,411	2,449,547	2,332,467	2,015,265	1,741,793
78,534,240	77,664,178	84,840,763	93,906,830	96,075,185	97,671,617
39,100,879	43,265,124	42,723,810	45,970,592	47,920,418	51,170,127
39,100,879	43,265,124	42,723,810	45,970,592	47,920,418	51,170,127
$ 117,635,119	$ 120,929,302	$ 127,564,573	$ 139,877,422	$ 143,995,603	$ 148,841,744
$ 26,399	$ 37,807	$ 23,847	$ 24,000	$ -	$ -
25,308	23,448	25,519	27,973	26,457	29,887
2,360,325	2,310,183	2,157,785	2,382,693	2,562,484	2,645,219
2,389,950	3,984,991	3,657,765	2,616,256	4,115,136	4,334,297
-	-	-	-	64,655	64,655
516,711	536,449	906,899	946,479	1,058,012	1,048,299
1,014,759	1,309,723	1,100,410	718,172	1,037,078	1,165,109
1,306,594	1,342,585	1,521,255	1,520,388	1,529,381	2,261,583
533,319	381,088	438,973	427,204	97,545	92,349
483,490	435,039	207,400	222,902	240,533	465,615
2,667,162	374,203	183,013	2,239,746	2,313,000	3,601,013
15,883,383	22,774,091	13,214,793	8,183,369	12,039,573	8,643,597
27,207,400	33,509,607	23,437,659	19,309,182	25,083,854	24,351,623
42,267,497	46,091,632	42,418,217	46,600,326	48,509,922	56,273,795
9,222,359	9,988,175	9,103,720	7,382,266	7,029,200	7,728,163
51,489,856	56,079,807	51,521,937	53,982,592	55,539,122	64,001,958
$ 78,697,256	$ 89,589,414	$ 74,959,596	$ 73,291,774	$ 80,622,976	$ 88,353,581
$ (51,326,840)	$ (44,154,571)	$ (61,403,104)	$ (74,597,648)	$ (70,991,331)	$ (73,319,994)
12,388,977	12,814,683	8,798,127	8,012,000	7,618,704	12,831,831
$ (38,937,863)	$ (31,339,888)	$ (52,604,977)	$ (66,585,648)	$ (63,372,627)	$ (60,488,163)
$ 43,632,879	$ 47,498,500	$ 51,056,486	$ 54,639,637	$ 56,852,372	$ 55,478,487
23,612,871	24,282,172	25,286,435	25,360,411	28,861,624	34,929,500
4,151	295,026	348,307	251,204	302,908	419,080
5,617,437	6,082,737	6,370,168	5,688,313	5,521,016	7,038,300
217,777	253,845	245,537	216,980	322,451	338,037
710,654	1,768,842	2,791,043	1,417,681	114,893	940,523
662,960	967,743	1,120,705	787,908	1,011,374	600,368
2,000,296	2,009,653	1,218,430	1,888,815	2,602,600	2,802,185
76,459,025	83,158,518	88,437,111	90,250,949	95,589,238	102,546,480
275,492	627,308	1,097,353	643,619	37,797	469,387
321,315	369,510	390,020	380,136	393,688	388,365
(2,000,296)	(2,009,653)	(1,218,430)	(1,888,815)	(2,602,600)	(2,802,185)
(1,403,489)	(1,012,835)	268,943	(865,060)	(2,171,115)	(1,944,433)
$ 75,055,536	$ 82,145,683	$ 88,706,054	$ 89,385,889	$ 93,418,123	$ 100,602,047
$ 25,132,185	$ 39,003,947	$ 27,034,007	$ 15,653,301	$ 24,597,907	$ 29,226,486
10,985,488	11,801,848	9,067,070	7,146,940	5,447,589	10,887,398
$ 36,117,673	$ 50,805,795	$ 36,101,077	$ 22,800,241	$ 30,045,496	$ 40,113,884

Town of Flower Mound, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
General fund				
Nonspendable	$ 294,020	$ 240,930	$ 336,250	$ 927,238
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	13,882,263	15,893,121	16,553,717	15,256,717
Total general fund	$ 14,176,283	$ 16,134,051	$ 16,889,967	$ 16,183,955
All other governmental funds				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	22,185,637	25,212,644	32,125,157	34,876,744
Committed	4,095,764	5,072,505	5,457,481	6,251,679
Unassigned	(8,007)	-	3,081,272	3,794,488
Total all other governmental funds	$ 26,273,394	$ 30,285,149	$ 40,663,910	$ 44,922,911

Fiscal Year					
2017	2018	2019	2020	2021	2022
$ 604,846	$ 743,791	$ 655,344	$ 654,839	$ 768,565	$ 972,077
-	-	400,000	800,000	393,870	-
-	2,146,865	3,745,079	-	-	-
16,493,062	16,053,558	16,670,607	21,309,816	26,694,568	34,011,095
$ 17,097,908	$ 18,944,214	$ 21,471,030	$ 22,764,655	$ 27,857,003	$ 34,983,172
$ -	$ -	$ -	$ -	$ 1,819	$ -
59,384,479	63,258,446	62,512,244	53,372,864	58,859,863	62,440,369
7,733,984	9,848,445	10,032,496	14,236,071	15,199,428	15,840,913
-	-	-	-	-	-
$ 67,118,463	$ 73,106,891	$ 72,544,740	$ 67,608,935	$ 74,061,110	$ 78,281,282

Town of Flower Mound, Texas
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(unaudited)

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Revenues				
Taxes				
Ad valorem	$ 32,159,454	$ 33,708,595	$ 36,027,958	$ 39,190,207
Sales	17,146,819	18,583,674	20,559,174	21,459,819
Franchise	6,559,151	5,876,564	6,263,322	5,810,149
Alcoholic beverage	106,426	141,822	157,443	210,589
Hotel Occupancy	-	1,012	142	-
Licenses, permits and fees	2,036,212	2,491,454	2,660,155	2,884,561
Intergovernmental	3,066,415	1,058,702	810,727	1,072,176
Impact fees	1,904,763	1,736,534	2,064,618	1,890,116
Charges for services	3,392,698	3,369,519	3,526,909	3,898,400
Fines and forfeits	1,119,096	1,123,235	2,008,030	953,395
Investment earnings	142,529	71,183	74,421	242,860
Memorials and contributions	505,242	1,396,978	1,069,943	1,260,516
Other revenue	1,666,560	1,813,713	1,534,940	811,828
Total revenues	69,805,365	71,372,985	76,757,782	79,684,616
Expenditures				
Current				
Administrative services	4,079,982	4,235,855	5,336,457	5,506,250
Town manager's office	2,958,456	2,635,992	2,690,460	2,750,950
Legislative services	438,717	358,625	408,533	433,984
Development services	1,543,838	1,870,022	1,923,021	1,975,057
Parks & recreation services	9,048,666	10,141,048	14,133,521	14,500,298
Library services	-	-	-	-
Police services	12,159,009	12,839,258	14,607,856	14,999,695
Financial services	3,206,447	3,238,724	3,297,105	3,319,541
Fire and Emergency services	10,676,869	12,066,007	13,153,346	15,421,455
Communications	844,341	748,135	827,105	883,205
Infrastructure services	-	-	-	-
Public works	5,380,029	6,170,269	4,968,970	6,716,275
Environmental services	1,193,517	1,153,293	1,283,872	1,372,669
Capital projects	7,488,000	2,423,620	3,421,644	5,702,293
Debt service				
Principal	5,620,000	5,885,000	6,365,000	6,395,000
Interest and fiscal charges	2,983,902	3,196,560	4,974,162	2,513,803
Total expenditures	67,621,773	66,962,408	77,391,052	82,490,475
Excess of revenues over (under) expenditures	2,183,592	4,410,577	(633,270)	(2,805,859)
Other financing sources (uses)				
Issuance of general debt obligation	2,940,000	460,000	6,985,000	3,880,000
Refunded bonds issued	2,015,000	5,245,000	20,170,000	8,525,000
Premium on bonds	215,430	495,142	3,396,053	1,755,420
Payment to escrow	(2,015,000)	(5,245,000)	(20,170,000)	(9,653,577)
Transfers in	3,547,395	3,223,159	2,398,358	5,107,928
Transfers out	(3,114,266)	(2,619,355)	(1,011,464)	(3,255,923)
Total other financing sources (uses)	3,588,559	1,558,946	11,767,947	6,358,848
Net change in fund balances	$ 5,772,151	$ 5,969,523	$ 11,134,677	$ 3,552,989
Debt service as a percentage of noncapital expenditures	15.81%	16.28%	19.08%	16.43%

Fiscal Year						
2017	2018	2019	2020	2021	2022
$ 43,677,863	$ 47,496,936	$ 51,054,324	$ 54,486,676	$ 56,731,921	$ 55,540,258
23,612,871	24,282,172	25,286,435	25,360,411	28,861,624	34,929,500
5,741,937	6,050,502	6,174,213	5,812,400	5,528,461	6,969,049
217,777	253,845	245,537	216,980	322,451	338,037
4,151	295,026	348,307	251,204	302,908	419,080
4,046,052	4,415,494	3,546,973	3,795,581	4,216,966	4,867,549
1,209,747	7,868,976	2,031,979	4,190,250	6,373,688	5,443,094
1,260,099	1,932,157	1,090,371	1,306,334	807,008	1,381,721
3,942,536	4,088,750	4,285,285	3,293,326	4,099,901	4,684,571
1,080,787	1,435,162	1,179,495	789,871	1,136,869	1,310,953
630,619	1,578,256	2,445,383	1,229,295	95,903	827,969
1,126,082	69,743	47,018	48,930	14,954	17,884
864,237	1,072,625	1,129,952	859,003	2,815,279	906,184
87,414,758	100,839,644	98,865,272	101,640,261	111,307,933	117,635,849
5,760,794	5,827,091	5,966,431	6,396,212	6,197,054	7,144,902
2,896,132	3,175,070	3,210,344	3,431,410	4,249,212	3,733,802
492,664	480,450	500,810	496,250	535,784	513,223
2,179,452	2,250,563	1,954,622	2,075,770	2,162,182	2,212,896
12,262,792	14,408,210	10,864,818	8,718,000	14,837,791	15,585,641
-	-	1,822,047	1,774,928	1,967,638	2,086,279
15,409,491	16,507,737	17,857,411	17,563,887	19,299,137	21,254,060
3,408,226	3,326,780	3,664,878	3,719,892	3,732,132	3,683,461
17,761,446	18,645,235	18,544,641	21,543,680	22,695,481	24,386,912
706,255	732,237	720,241	771,160	733,592	724,229
-	-	-	-	-	-
8,342,275	7,068,851	11,108,493	10,238,390	9,461,411	11,345,422
1,457,040	1,496,868	1,458,742	1,482,847	1,443,788	1,562,986
11,278,456	26,506,531	15,197,860	17,516,366	3,762,191	4,215,816
6,925,000	9,270,000	9,665,000	8,895,000	8,560,000	7,910,000
2,407,368	3,020,353	3,080,152	3,082,313	2,741,977	2,457,064
91,287,391	112,715,976	105,616,490	107,706,105	102,379,370	108,816,693
(3,872,633)	(11,876,332)	(6,751,218)	(6,065,844)	8,928,563	8,819,156
22,815,000	16,665,000	6,050,000	-	-	-
-	-	-	3,150,000	-	-
2,197,443	1,051,413	873,403	494,019	-	-
-	-	-	(3,564,197)	-	-
2,729,452	6,056,482	7,752,977	10,705,431	4,826,215	5,267,318
(759,756)	(4,061,829)	(5,960,497)	(8,361,589)	(2,210,255)	(2,740,133)
26,982,139	19,711,066	8,715,883	2,423,664	2,615,960	2,527,185
$ 23,109,506	$ 7,834,734	$ 1,964,665	$ (3,642,180)	$ 11,544,523	$ 11,346,341
13.07%	16.74%	16.38%	13.92%	12.92%	11.54%

Town of Flower Mound, Texas
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30	Estimated Market Value		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2013	7,064,354,700	711,081,059	865,737,581	6,909,698,178	0.4497
2014	7,334,383,104	785,024,308	894,558,609	7,224,848,803	0.4497
2015	7,993,458,807	842,357,983	999,503,936	7,836,312,854	0.4390
2016	8,771,603,727	892,336,206	1,013,378,573	8,650,561,360	0.4390
2017	9,495,030,344	1,040,667,578	1,136,774,763	9,398,923,159	0.4390
2018	10,366,832,694	1,127,919,242	1,164,318,055	10,330,433,881	0.4390
2019	11,242,157,569	1,210,276,383	1,277,805,694	11,174,628,258	0.4390
2020	12,106,967,554	1,380,178,587	1,605,022,089	11,882,124,052	0.4365
2021	12,807,404,846	1,586,102,520	1,732,465,003	12,661,042,363	0.4365
2022	13,605,147,766	1,650,071,907	2,022,416,520	13,232,803,153	0.4050

Town of Flower Mound, Texas
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

	Town of Flower Mound			Overlapping Rates					
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	Lewisville Independent School District	Argyle Independent School District	Denton Independent School District	Northwest Independent School District	Denton County	Total Direct and Overlapping Rates *
2013	0.332650	0.117050	0.449700	1.453000	1.480050	1.530000	1.375000	0.282867	2.185567
2014	0.333670	0.116030	0.449700	1.477000	1.475050	1.530000	1.452500	0.284914	2.211614
2015	0.335350	0.103650	0.439000	1.477000	1.570050	1.540000	1.452500	0.272200	2.188200
2016	0.331170	0.107830	0.439000	1.476730	1.570050	1.540000	1.452500	0.262000	2.177730
2017	0.337669	0.101331	0.439000	1.420000	1.570050	1.540000	1.452500	0.248409	2.107409
2018	0.339698	0.099302	0.439000	1.407500	1.585050	1.540000	1.490000	0.237812	2.084312
2019	0.346474	0.092526	0.439000	1.407500	1.585050	1.540000	1.490000	0.225574	2.072074
2020	0.354008	0.082492	0.436500	1.337500	1.508000	1.470000	1.420000	0.225278	1.999278
2021	0.347797	0.088703	0.436500	1.347300	1.418700	1.407600	1.336300	0.224985	2.008785
2022	0.350644	0.054356	0.405000	1.308500	1.400000	1.362000	1.292000	0.233086	1.946586

* Total Direct and Overlapping Rates include Town of Flower Mound, Lewisville Independent School District and Denton County since the majority of property tax payers are in the Lewisville Independent School District. Those who are in the other School Districts total rate will vary accordingly

THE TOWN OF
FLOWER MOUND
TEXAS

Town of Flower Mound, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)

	FY 2021-2022			FY 2012-2013		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Azure Lakeside LP	$ 83,608,656	1	0.63%	$ -		-
Elan Flower Mound Phase II Venture LLC	83,245,915	2	0.63%	-		-
FFF Enterprises	64,567,501	3	0.49%	-		-
WMCi Dallas I LLC	63,747,380	4	0.48%	-		-
Infinera Corporation	62,123,000	5	0.47%	-		-
CTDI	61,019,600	6	0.46%	-		-
Flower Mound Hospital Partners LLC	59,100,000	7	0.45%	-		-
CPF PC Riverwalk LLC	55,866,500	8	0.42%	-		-
LIT HW1 LP/LIT Industrial LP	53,599,400	9	0.41%	-		-
Robertson Creek Dunhill LLC	52,780,977	10	0.40%	-		-
Robertson's Creek 1031 LLC & RC 1031-West Jordan PR	-		-	46,370,542	1	0.67%
LIT HW1 LP	-		-	30,067,981	2	0.44%
CRP-3 Corporate Ridge LLC	-		-	29,941,419	3	0.43%
Duke Realty, LP	-		-	27,255,096	4	0.39%
SDCO Highlands Denton County LP	-		-	25,904,288	5	0.37%
LIT Industrial Texas LTD PS	-		-	25,652,573	6	0.37%
WPX Energy Gulf Coast LP	-		-	25,346,860	7	0.37%
CWS Tridge Mckinney LP ETAL	-		-	24,921,529	8	0.36%
SFERS Real Estate Corp MM	-		-	24,730,210	9	0.36%
FVLAC Lantana LP ETAL	-		-	24,464,300	10	0.35%
Totals	$ 639,658,929		4.83%	$ 284,654,798		4.12%

Source: Denton Central Appraisal District and Tarrant Appraisal District

Town of Flower Mound, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Adjustments to Levy in Subsequent Years	Adjusted Tax Levy for Fiscal Year
2013	30,665,635	746,701	31,412,336
2014	32,304,047	413,851	32,717,898
2015	34,024,901	611,656	34,636,557
2016	37,680,177	186,679	37,866,856
2017	40,193,742	1,729,545	41,923,287
2018	44,774,562	795,522	45,570,084
2019	48,272,632	917,457	49,190,089
2020	50,877,974	1,244,715	52,122,689
2021	53,789,766	760,583	54,550,349
2022	51,665,191	1,616,450	53,281,641

Source: Denton County Tax Assessor/Collector Office

Collected within the Fiscal Year of the Levy		Collections in Subsequent	Total Collections to Date	
Amount	Percentage of Levy	Years	Amount	Percentage of Levy
31,137,474	99.12%	248,357	31,385,831	99.92%
32,418,832	99.09%	272,392	32,691,224	99.92%
34,385,162	99.27%	223,999	34,609,161	99.92%
37,654,594	99.44%	175,339	37,829,933	99.90%
41,803,234	99.71%	80,513	41,883,747	99.91%
45,599,813	100.07%	(69,582)	45,530,231	99.91%
49,058,100	99.73%	71,485	49,129,585	99.88%
52,085,844	99.93%	(41,580)	52,044,264	99.85%
54,518,415	99.94%	(45,226)	54,473,189	99.86%
53,077,334	99.62%	-	53,077,334	99.62%

Town of Flower Mound, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

	Governmental Activities		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Total Primary Government	Percentage of Personal Income *	Per Capita *
2013	53,724,667	18,963,220	5,307,373	48,365,641	6,715,017	133,075,918	2.92%	2,028
2014	49,187,468	17,746,211	6,425,025	59,310,139	5,747,871	138,416,714	2.95%	2,093
2015	47,794,421	20,507,646	7,177,458	62,926,918	4,740,726	143,147,169	2.86%	2,142
2016	45,938,356	20,340,514	20,054,833	59,557,648	-	145,891,351	2.84%	2,144
2017	39,712,050	44,112,315	25,113,546	58,072,477	-	167,010,388	3.10%	2,324
2018	33,065,745	58,507,859	21,382,846	59,436,958	-	172,393,408	3.08%	2,357
2019	26,706,289	61,381,719	17,177,145	80,130,019	-	185,395,172	3.12%	2,438
2020	25,030,852	53,505,162	14,593,656	84,054,802	-	177,184,472	2.80%	2,269
2021	19,751,995	49,389,945	12,531,873	88,335,875	-	170,009,688	-	2,141
2022	15,244,579	45,164,729	10,549,387	92,853,008	-	163,811,703	-	2,085

* Population and Personal Income figures are listed on the Demographic and Economic Statistics

Town of Flower Mound, Texas
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Governmental Debt	Business-type Debt	Total Bonded Debt	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property *	Per Capita **
2013	72,687,887	53,673,014	126,360,901	501,158	125,859,743	1.82%	1,918
2014	66,933,679	65,735,164	132,668,843	730,467	131,938,376	1.83%	1,995
2015	68,302,067	70,104,376	138,406,443	602,949	137,803,494	1.76%	2,062
2016	66,278,870	79,612,481	145,891,351	776,482	145,114,869	1.68%	2,132
2017	83,824,365	83,186,023	167,010,388	951,984	166,058,404	1.77%	2,311
2018	91,573,604	80,819,804	172,393,408	1,127,261	171,266,147	1.66%	2,342
2019	88,088,008	97,307,164	185,395,172	1,290,869	184,104,303	1.65%	2,421
2020	78,536,014	98,648,458	177,184,472	1,499,400	175,685,072	1.57%	2,311
2021	69,141,940	100,867,748	170,009,688	2,264,683	167,745,005	1.32%	2,113
2022	60,409,308	103,402,395	163,811,703	1,354,216	162,457,487	1.23%	2,068

* Value of Property figures are listed on the Assessed Value and Estimated Actual Value of Taxable Property Statistics

** Population figures are listed on the Demographic and Economic Statistics

Data to present total debt outstanding as a percentage of personal income is unavailable.

Town of Flower Mound, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2022
(unaudited)

Taxing Body	Bonded Debt**	Percentage of Debt Applicable to Town *	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Town of Flower Mound	$ 60,409,308	100.00%	$ 60,409,308
Total Direct Debt	60,409,308		60,409,308
Overlapping Debt:			
Argyle Independent School District	324,967,774	20.65%	67,105,845
Carroll Independent School District	311,395,000	0.02%	62,279
Denton County	559,930,000	10.32%	57,784,776
Denton Independent School District	1,268,695,282	0.15%	1,903,043
Grapevine-Colleyville ISD	311,711,018	0.01%	31,171
Lewisville Independent School District	1,204,815,000	26.34%	317,348,271
Northwest Independent School District	1,499,494,040	0.22%	3,298,887
Tarrant County	404,360,000	0.16%	646,976
Tarrant County College District	610,315,000	0.16%	976,504
Tarrant County Hospital District	12,825,000	0.16%	20,520
Total Overlapping Debt	6,508,508,114		449,178,272
Total Direct and Overlapping Bonded Debt	$ 6,568,917,422		$ 509,587,580

* Source: Texas Municipal Reports, Compiled and Published by Municipal Advisory Council of Texas

** The Town of Flower Mound's total bonded debt is $163,811,703 with $115,510,397 in tax supported debt which is funded by the revenues of the Utility System, the Town's Community Development Corporation and Tax Increment Reinvestment Zone (TIRZ), that the Town has elected to pay from System Net Revenues. The Town may change this policy at any time. This debt service is not included in any coverage calculation and is not subject to the Reserve Fund Requirement.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Flower Mound. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Town of Flower Mound, Texas
Legal Debt Margin Information
(unaudited)

The Town of Flower Mound operates under a Home Rule Charter as authorized by Article XI, Section 5 of the Texas Constitution. Accordingly, the Town is not limited by the law in the amount of debt it may issue.

Article IX, Section 9.15 of the Home Rule Charter of the Town of Flower Mound provides that:

> The Town Council shall have the power under the provisions of the State Law to levy, assess and collect an annual tax upon real and personal property within the Town to the maximum provided by the Constitution and General Laws of the State of Texas.

Under the Texas Constitution, the Town is limited to a total tax rate of $2.50 per $100 of assessed valuation for all Town purposes, including payment of principal and interest on general obligation debt, and operations of the General Fund.

The Town of Flower Mound ad valorem tax rate for all purposes at September 30, 2022, was $.4050 per $100 of assessed valuation with taxable property assessed at 100% of market value.

Town of Flower Mound, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(unaudited)

	Water and Wastewater Bonds					
Fiscal Year	Total Revenue Available*	Less: Operating Expenses**	Net Available Revenue	Average Debt Service Principal	Interest	Coverage
2013	40,288,657	25,836,990	14,451,667	967,143	126,656	13.21
2014	39,633,604	26,892,489	12,741,115	965,833	106,332	11.88
2015	41,436,058	28,769,104	12,666,954	956,000	85,342	12.16
2016	41,960,681	32,005,631	9,955,050	- ***	-	N/A
2017	44,497,536	29,347,879	15,149,657	- ***	-	N/A
2018	49,172,947	32,226,278	16,946,669	- ***	-	N/A
2019	45,277,974	31,887,610	13,390,364	- ***	-	N/A
2020	49,891,652	33,799,148	16,092,504	- ***	-	N/A
2021	50,286,024	34,879,896	15,406,128	- ***	-	N/A
2022	58,439,148	37,507,374	20,931,774	- ***	-	N/A

* Total Revenue Available excludes stormwater drainage revenues.

** Operating Expenses include only water and wastewater expenses.

*** The outstanding revenue debt was refunded in March 2016 with General Obligation Refunding Bonds, Series 2016.

Town of Flower Mound, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Population	Personal Income *	Per Capita Personal Income (Denton County) **	Median Age *	School Enrollment	Unemployment Rate ***
2013	65,615	-	45,605	-	17,514	5.30%
2014	66,130	-	46,987	-	17,315	4.00%
2015	66,820	-	50,112	-	19,141	3.10%
2016	68,050	-	51,332	-	16,680	3.40%
2017	71,850	-	53,948	-	16,618	2.80%
2018	73,130	-	55,933	-	16,490	2.70%
2019	76,030	-	59,414	-	16,510	2.60%
2020	78,080	-	63,283	-	16,055	4.50%
2021	79,390	-	-	-	16,225	3.00%
2022	78,570	-	-	-	16,177	2.70%

* Personal Income and Median Age are only available in census years.

Source: United States Census Bureau, Applied Geographical Solutions

** Source: Bureau of Economic Analysis

*** Texas Workforce Commission

Town of Flower Mound, Texas
Principal Employers
Current Year and Nine Years Ago
(unaudited)

	2022			2013		
Employer	**Employees**	**Rank**	**Percentage of Total Town Employment**	**Employees**	**Rank**	**Percentage of Total Town Employment**
Communication Test Design, Inc. (CTDI)	1,340	1	2.80%	562	2	1.53%
MI Windows & Doors	771	2	1.61%	-	-	-
Texas Health Presbyterian Hospital Flower Mound	700	3	1.46%	363	4	0.99%
Stryker Communications	480	4	1.00%	234	5	0.64%
Likewize	400	5	0.84%	-	-	-
Thirty-One Gifts	375	6	0.78%	-	-	-
Best Buy Distribution & Service Center	250	7	0.52%	185	7	0.50%
FUNimation Entertainment	250	7	0.52%	-	-	0.00%
HD Supply	200	9	0.42%	187	6	0.51%
Ivie & Associates	190	10	0.40%	160	8	0.44%
Lewisville Independent School District	-	-	-	1,796	1	4.89%
Town of Flower Mound	-	-	-	460	3	1.25%
Premier Nationwide Lending	-	-	-	140	9	0.38%
Group 1200 Media	-	-	-	130	10	0.35%
Totals	4,956		10.35%	4,217		11.48%

Source: Town Economic Development Division
Note: Listing includes only private sector employers for 2022.

Town of Flower Mound, Texas
Full-time Equivalent Town Government Employees by Function
Last Ten Fiscal Years
(unaudited)

	Full-time Equivalent Employees as of September 30									
	2013	**204**	**2015**	**2016**	**2017**	**2018**	**2019***	**2020**	**2021**	**2022**
Function										
Administrative services	26.00	29.00	29.00	29.00	30.00	30.00	31.00	30.00	31.00	31.00
Communications	7.00	7.00	7.00	6.00	7.00	7.00	7.00	7.50	7.50	7.50
Community services	106.50	109.50	113.50	113.75	115.50	117.50	-	-	-	-
Parks & Recreation Services	-	-	-	-	-	-	99.25	99.25	99.25	101.00
Library Services	-	-	-	-	-	-	21.00	21.00	23.00	23.00
Development services	36.00	34.50	30.50	31.50	33.50	33.25	23.00	23.00	23.00	23.00
Environmental services	14.75	14.75	14.75	16.00	17.50	17.50	16.50	16.50	16.50	16.50
Financial services	39.00	38.00	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50
Fire and emergency services	99.50	99.50	101.50	114.50	114.50	115.00	116.00	131.00	132.00	138.50
Infrastructure services	-	-	-	-	-	-	-	-	-	-
Legislative services	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Police services	139.50	142.50	145.00	148.50	150.50	140.50	151.00	169.75	169.75	173.75
Public works	75.00	79.00	88.50	96.50	98.00	98.75	113.50	113.50	114.50	120.50
Town manager's office	5.00	5.00	5.50	5.50	5.50	6.50	6.50	6.50	6.50	7.50
Total	551.25	561.75	576.75	602.75	613.50	607.50	626.25	659.50	664.50	683.75

Source: Town Financial Services Department

*Effective fiscal year ending September 30, 2019, Community Services was split into Parks and Recreation Services and Library Services.

Town of Flower Mound, Texas
Operating Indicators by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year			
	2013	**2014**	**2015**	**2016**
Function				
Development services				
New residential building permits issued	240	322	500	350
Value	$ 110,856,901	$ 142,083,930	$ 219,691,459	$ 167,205,907
New commercial building permits issued	71	75	73	74
Value	$ 186,476,151	$ 143,469,134	$ 145,954,106	$ 187,454,584
Financial services				
Average daily consumption (gallons)	12,625,959	11,644,052	11,261,386	11,839,381
Water customers	22,043	22,372	22,917	23,326
Sewer customers	19,211	19,507	20,012	20,385

Source: Town Development Services Department and Financial Services Department
* Values reflect amounts as of June 30, 2019. Due to HB 852, Permit values are no longer obtained during the permit process.

Fiscal Year						
2017	2018	2019*	2020	2021	2022
448	592	500	423	458	396
$ 205,903,096	$ 257,252,261	$ 156,432,776	$ -	$ -	$ -
62	35	46	59	12	32
$ 118,872,009	$ 68,624,239	$ 74,466,756	$ -	$ -	$ -
12,168,768	13,527,951	10,318,256	12,393,690	11,915,782	14,410,953
23,845	24,443	24,977	25,391	25,896	26,222
20,845	21,375	21,883	22,246	22,651	22,901

Town of Flower Mound, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Function										
Community services										
Parks acreage	926	940	940	940	888*	888	983**	983	991	997
Parks	55	54	54	54	55	55	56	56	56	57
Financial services										
Water mains (miles)	396	420	429	437	448	454	462	467	477	487
Fire and Emergency services										
Fire stations	5	5	5	5	6	6	6	6	7	7
Fire hydrants	3,387	3,620	3,708	3,819	3,946	4,061	4,184	4,288	4,381	4,468
Infrastructure services										
Improved streets (miles)	377	388	401	408	415	415	418	419	422	424
Unimproved streets (miles)	4	7	7	8	8	8	9	10	8	8
Storm sewers (miles)	137	156	160	160	164	164	164	166	169	171

* Parks acreage includes long-term leased land from the Corp of Engineer for Twin Coves park.
Twin Coves Park acreage was updated to reflect most recent data from GIS

** Parks acreage reflects the most updated information from Parks and GIS and includes all named parks, greenbelts, open space, COE leases, and LISD property that the Town uses and maintains.

Source: Town Departments

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Mayor and
Members of the Town Council
Town of Flower Mound, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flower Mound, Texas (the Town), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Abilene, Texas
March 15, 2023

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Mayor and
Members of the Town Council
Town of Flower Mound, Texas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Town of Flower Mound, Texas's (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended September 30, 2022. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Abilene, Texas
March 15, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Expenditures
Federal Awards			
Department of Justice			
Direct Program			
Internal Revenue Service Equitable Sharing	16.922	75-1366210	$ 107,670
Direct Program			
Bulletproof Vests	16.607	BVP2020	1,129
Bulletproof Vests	16.607	BVP2021	12,577
Total Bullet Proof Vests			13,706
Total Department of Justice			121,376
Department of Housing and Urban Development			
Direct Program			
Community Development Block Grant	14.218	B-19-MC-48-0042	73
COVID-19 Community Development Block Grant	14.218	B-20-MW-48-0042	31,169
Community Development Block Grant	14.218	B-20-MC-48-0042	104,818
Community Development Block Grant	14.218	B-21-MC-48-0042	111,537
Total Community Development Block Grant - Entitlement Grant Cluster			247,597
Total Department of Housing and Urban Development			247,597
Department of Transportation			
Passed through North Central Texas Council of Governments			
NCTCOG Equipment Grant - Highway Planning and Construction Cluster	20.205	TRN6658	54,250
Total Department of Transportation			54,250
Department of Treasury			
Direct Program			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Program	21.027	SLT-8164	2,186,840
Total Department of Treasury			2,186,840
National Foundation on the Arts and the Humanities			
Passed through Texas State Library and Archives			
Collections Enhancement Grant	45.310	TXR-22002	2,500
Total National Foundation on the Arts and the Humanities			2,500
Department of Homeland Security			
Direct Program			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2018-FH-00093	835,440
Total Department of Homeland Security			835,440
Department of Health and Human Services			
Direct Program			
COVID-19 Provider Relief Funds and American Rescue Plan (ARP) Rural Distribution	93.498	75-1366210	3,125
Total Department of Health and Human Services			3,125
Total Federal Awards			$ 3,451,128

See Notes to Schedule of Expenditures of Federal Awards

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Flower Mound, Texas, under programs of the federal government for the year ended September 30, 2022. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note B – Summary of Significant Accounting Principles

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant. No federal awards have been provided to a subrecipient.

Note C – Indirect Cost Rate

The Town is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the Town has previously received a negotiated indirect cost rate for its federal awards.

Note D – Provider Relief Funds

The Town received amounts from the U.S. Department of Health and Human Services (HHS) through the Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution program (Federal Financial Assistance Listing #93.498) during the year ended September 30, 2021. The Town incurred eligible expenditures and, therefore, recognized revenues totaling $3,125 for the year ended September 30, 2021, respectively, on the financial statements. The PRF expenditures recognized on the schedule are based on the reporting to HHS for the calendar year ending December 31, 2021, as required under the PRF program.

Section I – Summary of Auditor's Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

Name of Federal Program	Federal Financial Assistance Listing
COVID-19 Coronavirus State and Local Fiscal Recovery Funds Program	21.027

Dollar threshold used to distinguish between type A and type B programs for federal awards:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

The audit disclosed no findings or questioned costs required to be reported.

THE TOWN OF
FLOWER MOUND
TEXAS